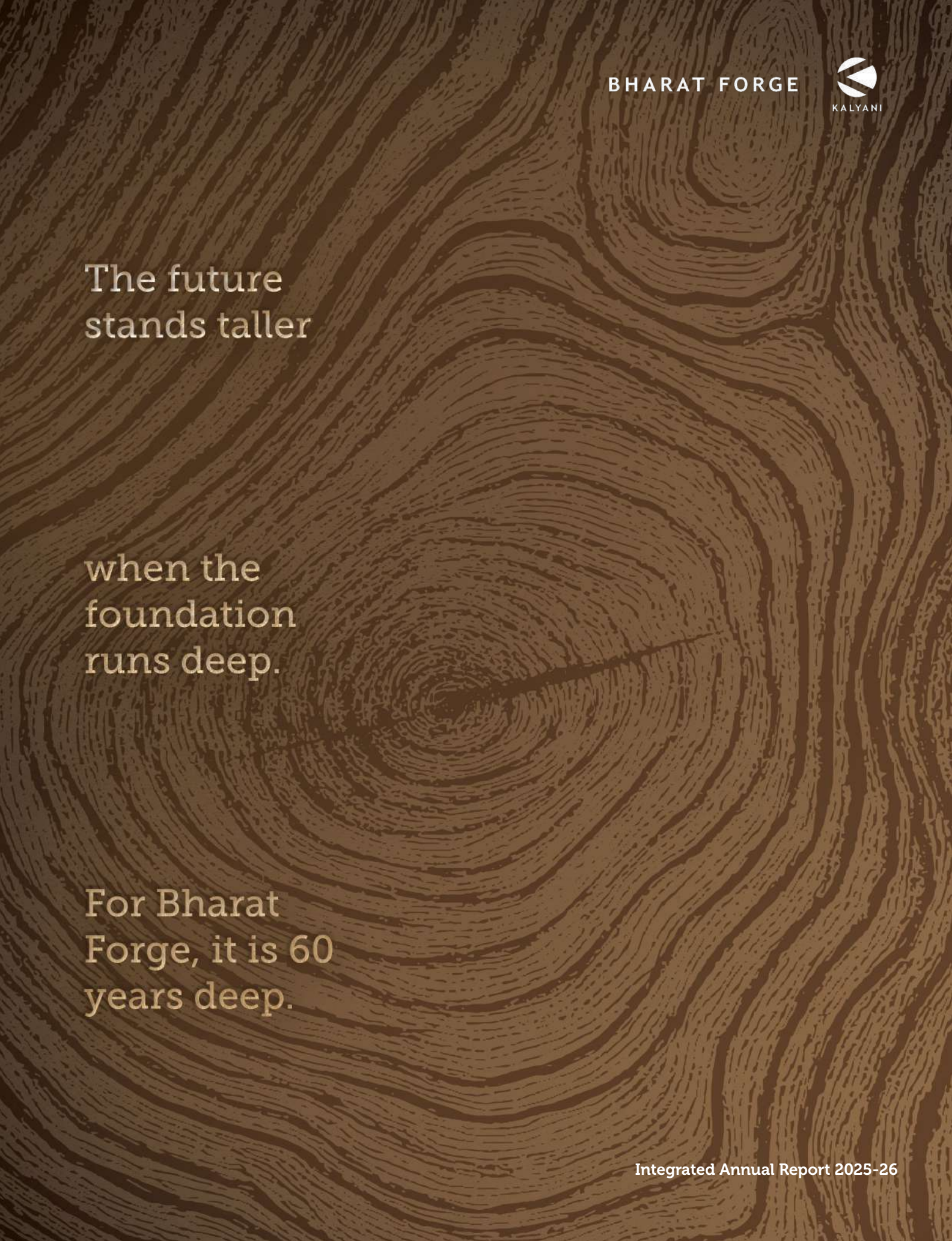
BHARAT FORGE

KALYANI



Integrated Annual Report 2025-26



First hammer inauguration at Pune

The depth of making

For 60 years, we have shaped excellence through our manufacturing discipline.

Across materials, processes, machines and people, we have built a foundation defined by precision, scale and reliability. This depth has grown through demanding customer mandates, global markets and applications where performance carries consequence.

Every decade has added to our understanding.

Every cycle has strengthened our resilience.

Every component has carried the intelligence of metallurgy, engineering, quality and execution.

Over time, manufacturing excellence has become an enterprise language for us, connecting capability with confidence, discipline with ambition and experience with possibility.

This is the foundation that runs 60 years deep.

It carries the memory of everything we have made, improved, scaled and strengthened. It reflects accumulated mastery, built patiently and applied consistently, giving us the depth from which our future continues to rise.

The progress today

...carries the force of six decades into businesses shaped by complexity, deeper engineering intensity and wider strategic relevance. Across defense, aerospace, autos, industrial solutions and advanced manufacturing adjacencies, we are extending a capability base built over time.

Execution discipline is traveling across sectors that demand consistency.

Metallurgy is finding new platforms.

Precision is entering higher-value applications.

Product development is gaining wider acceptance.

The foundation that strengthened our core is now enabling newer possibilities with greater intent.

What we have built over 60 years is moving forward as one integrated force.

Manufacturing excellence is translating into advanced solutions, broader participation and greater enterprise momentum. Today, our ascend seems a natural progression of our capabilities, carrying us from a deep industrial core into businesses that demand greater complexity, stronger engineering and higher strategic relevance.

That is how we move towards the future.

Contents

Corporate Overview

06–71

06 About the Report
10 Operational Highlights FY2026
12 About Bharat Forge
16 Geographic Footprint
18 Value Creation Model
22 From the CMD's Desk
28 Strategy
32 Stakeholder Engagement
34 Materiality Assessment
40 Financial Capital
42 Manufactured Capital
46 Intellectual Capital
52 Sustainability Goals
56 Natural Capital
60 Human Capital
62 Social and Relationship Capital
66 Governance
68 Risk Management
71 Corporate Information

Statutory Reports

72–185

72 Management Discussion & Analysis
84 Board's Report
113 Report on Corporate Governance
140 Business Responsibility and Sustainability Reporting

Financial Statements

186–502

186 Standalone Financial Statements
325 Consolidated Financial Statements



STRENGTHENING OUR FOUNDATION
38

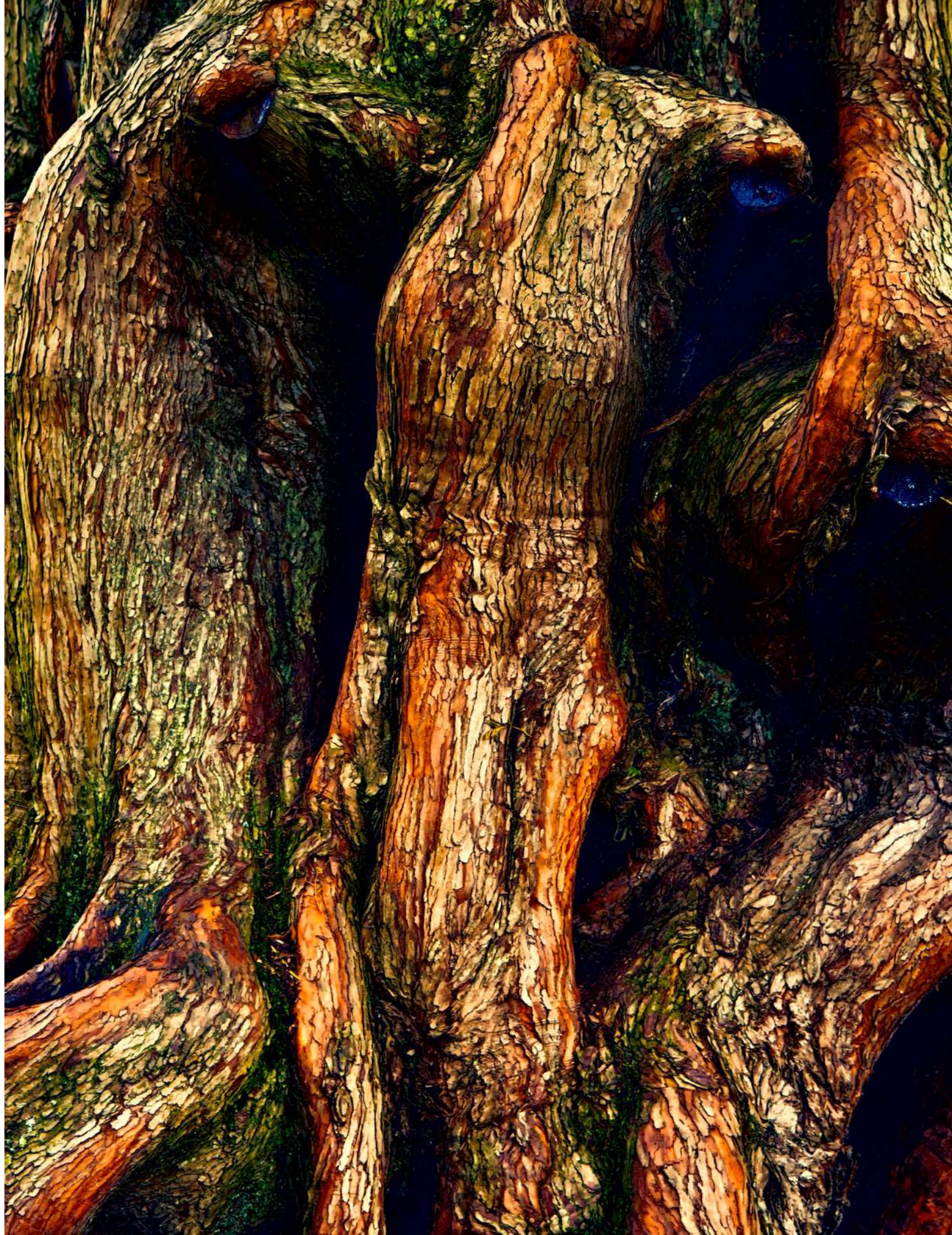


ADVANCING OUR COMMITMENTS
50



SUSTAINABILITY
52

Scan the code and read the report on your hand-held device.



About the report

Basis of reporting

This is our seventh year of Integrated Reporting, prepared in line with the <IR> principles developed by the International Integrated Reporting Council (IIRC), now under the IFRS Foundation. Our approach reflects our commitment to transparent, decision-useful disclosures that extend beyond statutory requirements. We present a holistic view of how we create value, the resources we depend on, and the factors that influence our performance.

Reporting period and scope

This Report covers the financial and non-financial information of Bharat Forge Limited, India, for the period April 1, 2025 to March 31, 2026. Significant material developments up to the Board Meeting dated May 7, 2026 have also been included.



The Report covers the six capitals, financial, manufactured, human, intellectual, social & relationship and natural, and provides information on our strategy, material matters, governance, performance and future prospects within the context of the external environment. Our objective is to equip stakeholders with relevant and balanced insights to evaluate our progress and make informed assessments.

Reporting principle

This Report has been prepared in accordance with applicable regulatory requirements, including:

- The Companies Act, 2013 (and applicable Rules)
- Indian Accounting Standards
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards

It also draws guidance from internationally recognized frameworks, including:

- The <IR> Framework of the IIRC
- Global Reporting Initiative (GRI) Standards

Board assurance

The Board confirms that it has collectively applied its mind in the preparation of this Report. The members take responsibility for its integrity and are of the view that it fairly and comprehensively addresses all material matters, presenting a balanced representation of our performance.

Forward-looking statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘plans’, ‘outlook’ and other words of similar meaning in connection with a discussion of future operating or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Integrated thinking

Integrated thinking guides how we operate, invest and innovate, enabling us to align manufacturing capabilities, technology platforms and stakeholder relationships with the six capitals to create sustained value.

Value creation at Bharat Forge is guided by

Vision 2030

Progress to BFL 2.0 by scaling our competencies and reaping the benefits of our investments

- To make high value, technology-driven products
- Growth in exports via market share gains, and addition of new sectors to the mix
- 80% of electrical energy to be renewable by 2030
- Water positive by 2030

Mission 2030

To bring cutting-edge technology to markets with speed and agility

- By encouraging creativity
- Develop engineering bandwidth to create robust product pipeline
- Integrating advanced technology in all facets of the business
- Fostering an inclusive environment to drive innovation

Be aligned with Viksit Bharat mission of making India self-reliant by 2047

Strengthened by...

Our Strategies

- S1 Focusing on the Indian market
- S2 Scaling high-growth verticals
- S3 Adding layer of products to the core forging business
- S4 Scaling the Indian subsidiaries
- S5 Financial prudence and operational focus
- S6 Digitalization and organizational capability

Read more
Pg. 28

Sustained through...

Macroeconomic scenario

Monitoring external developments and align our business strategies

Read more
Management Discussion and Analysis report at Pg. 72

Risks and opportunities

Addressing potential risks through a comprehensive assessment process that also helps uncover opportunities

- R1 Trade policy risk
- R2 Logistics & supply chain risk
- R3 Foreign exchange risk
- R4 Technology risk
- R5 Equipment risk
- R6 Human capital risk
- R7 Cybersecurity risk
- R8 Operational safety risk

Read more
Pg. 68

Stakeholder expectations and concerns

We address stakeholder concerns and nurture healthy relationships for sustained value delivery.

Employees | Government | Shareholders | Customers | Communities | Business Partners

Read more
Pg. 32

Material issues impacting business

Managing the material priorities and guiding decisions that support sustained value creation.

- M1 Sustained performance & quality
- M2 Health, safety and environment
- M3 Climate change
- M4 Intellectual property
- M5 Innovation
- M6 IT, data centre & farsight disaster recovery
- M7 Human capital development
- M8 Maintenance
- M9 Data protection
- M10 Brand risk/reputation
- M11 Customer satisfaction
- M12 Disaster recovery
- M13 Supply chain management
- M14 Corporate governance & business ethics

Resources and relationships (Capitals)

Financial capital | Intellectual capital | Manufactured capital | Human capital | Social and relationship capital | Natural capital

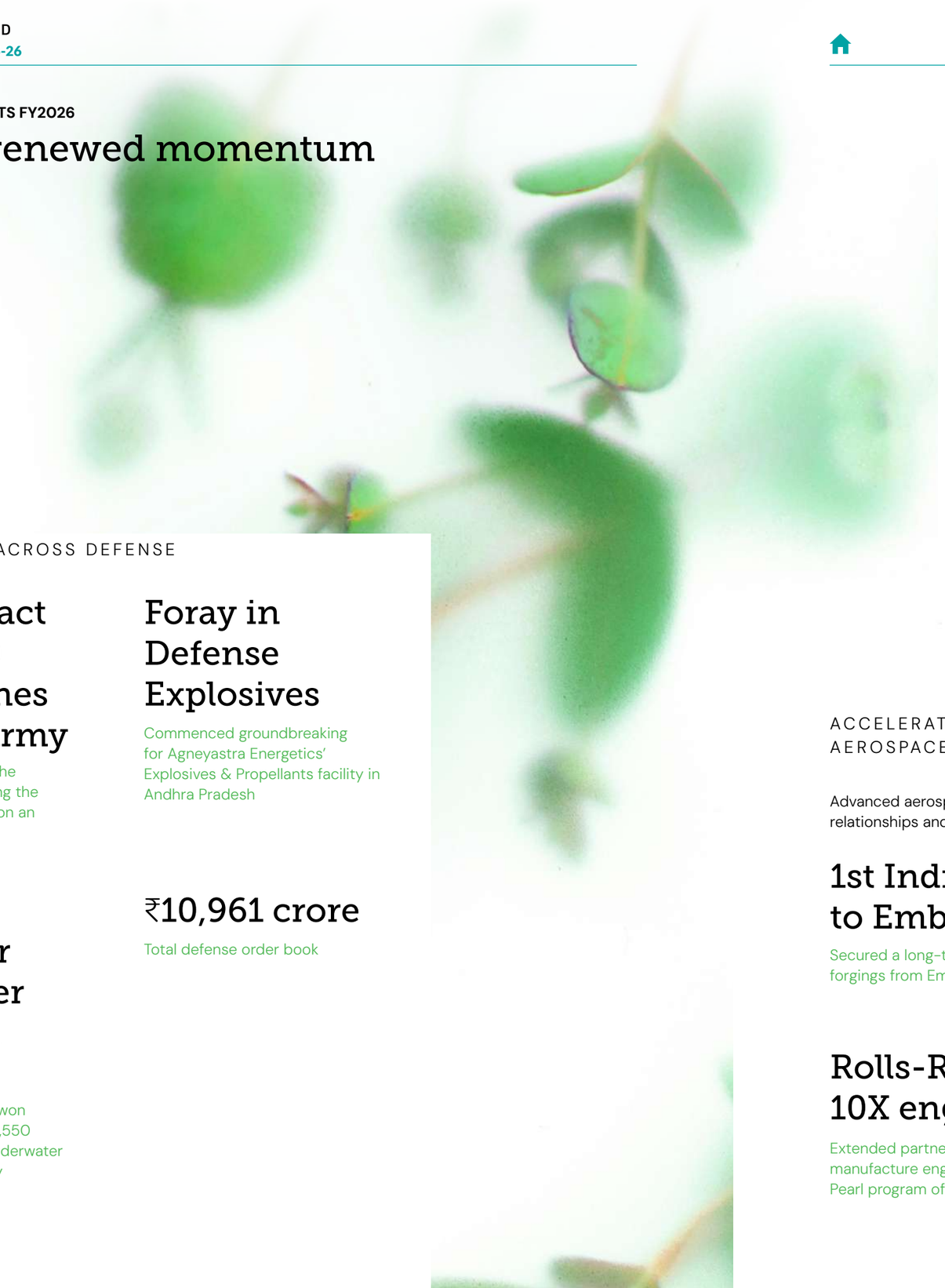
With a positive societal and environmental impact

Aligning our sustainability goals with the United Nations Sustainable Development Goals (UN SDGs)



OPERATIONAL HIGHLIGHTS FY2026

A year of renewed momentum



BUILDING SCALE ACROSS DEFENSE

Won Contract for 255,000 CQB Carbines to Indian Army

Contract concluded with the Ministry of Defense, marking the largest such order placed on an Indian private company

Foray in Defense Explosives

Commenced groundbreaking for Agneyastra Energetics' Explosives & Propellants facility in Andhra Pradesh

1st major contract for Under Water unmanned systems

Kalyani Strategic Systems won a major order valued at ₹2,550 million for the supply of underwater systems to the Indian Navy

₹10,961 crore

Total defense order book

STRENGTHENING THE PLATFORM FOR NEXT-STAGE GROWTH

Expanded capability base through strategic acquisitions, investments and technology upgrades aimed at deepening research and engineering, and other adjacency-led growth.

K Drive Mobility

Completed the acquisition of K Drive Mobility, adding engineering know-how for axle design across LCV, SUV segments and E-mobility platforms

₹300 crore primary equity investment in JS Autocast

Secured from Premji Invest. Equity infusion to enable investments in new Foundry and Machining capacity at JS Autocast

ACCELERATING PRECISION-LED AEROSPACE PARTICIPATION

Advanced aerospace business through new facilities, expanded global OEM relationships and a stronger role in high-precision components

1st Indian supplier to Embraer

Secured a long-term contract for landing gear forgings from Embraer

Landing gear machining facility

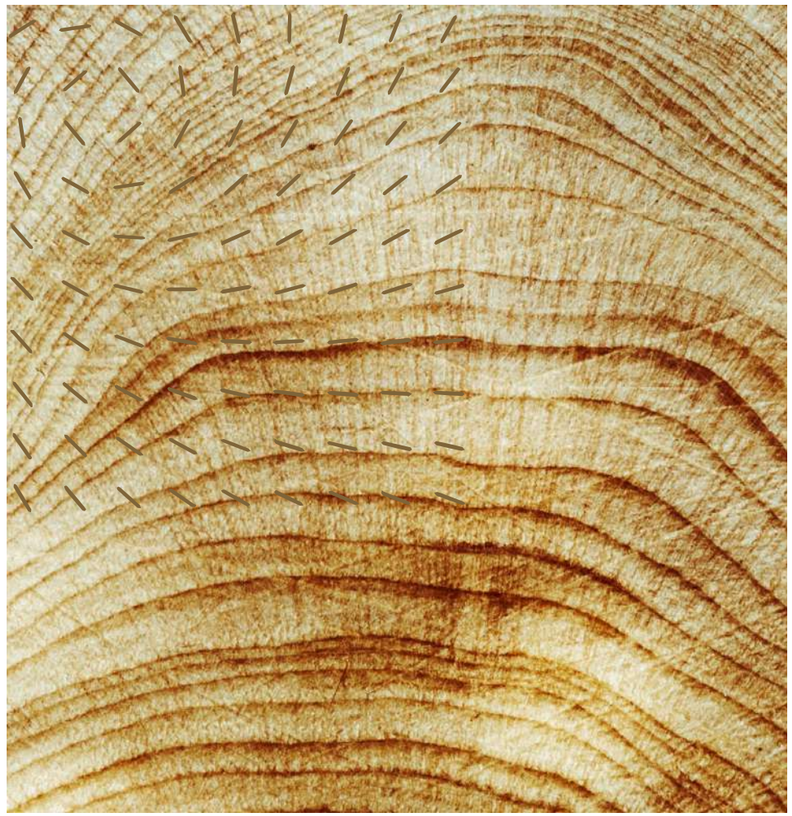
Inaugurated high-precision landing gear component facility in Pune

Rolls-Royce Pearl 10X engines

Extended partnership to manufacture engine blades for the Pearl program of Rolls-Royce

ABOUT BHARAT FORGE

The making of an engineering powerhouse



Bharat Forge Limited, with 6 decades of manufacturing legacy, is a global engineering and manufacturing company. It provides high-performance, safety-critical components and advanced solutions for the automotive, aerospace, defense, energy, rail, marine, oil and gas, construction & mining and other industrial sectors. Our integrated capabilities across design, product engineering, manufacturing, testing, and validation help us serve leading customers worldwide.

Over the years, we have grown from a single-location forging business into a diversified, multi-product enterprise driven by cross-sector engineering expertise and technology-led innovation. Our emerging businesses, including defense platforms and aerospace components, are gaining momentum through targeted investments and the strengthening of our subsidiaries. Together, they are expanding our presence in high-potential sectors and advancing our commitment to indigenous innovation, future-ready technologies, and sustainable industrial growth.

₹80,061 crore

Market capitalization as of March 31, 2026

Expertise across diversified business segments

AUTOMOTIVE

- India's leading exporter of automotive components
- A global leader in powertrain and chassis components, supported by advanced design, and full-service capabilities
- Trusted partner to global OEMs and Tier-I suppliers for high-performance precision components
- Proven expertise across materials
- Deep process knowledge and strong manufacturing excellence across multiple platforms

Passenger vehicle



Commercial vehicle



INDUSTRIAL

Power

- Proven capability in delivering critical components for thermal, wind, hydro and nuclear power systems
- Expanded presence in renewables through specialized engineering solutions



Resources (Oil, Gas, Construction & Mining & Agriculture)

- Specialist in high-end, critical components for construction and mining equipment and Agriculture
- Products engineered to deliver durability and reliability in extreme operating conditions



Railways & Heavy Engines

- Capability to manufacture indigenously developed turbochargers for Diesel rail engines
- Supplier of high-value engine components for large generators supporting Data centre operations



General engineering

- Manufacturer of high-quality, durable components for a wide range of heavy engineering applications like Steel, Cement, Sugar
- Flexible production capabilities tailored to specific industrial requirements

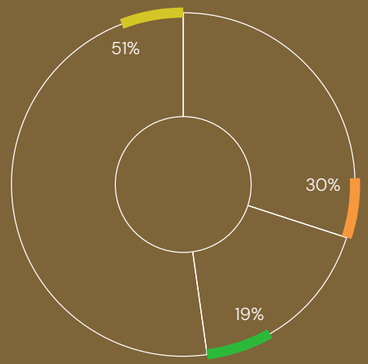


Defense and Aerospace

- End-to-end indigenous capabilities across artillery systems, protected and armored vehicles, naval utility platforms and defense consumables
- Strong competencies in metallurgy, material science, and control systems
- Capability to manufacture indigenously developed turbochargers
- Trusted manufacturer of zero-defect rotating, landing-gear and structural components for global aerospace majors
- Longstanding supplier of mission-critical components to India's defense forces and leading international aerospace customers

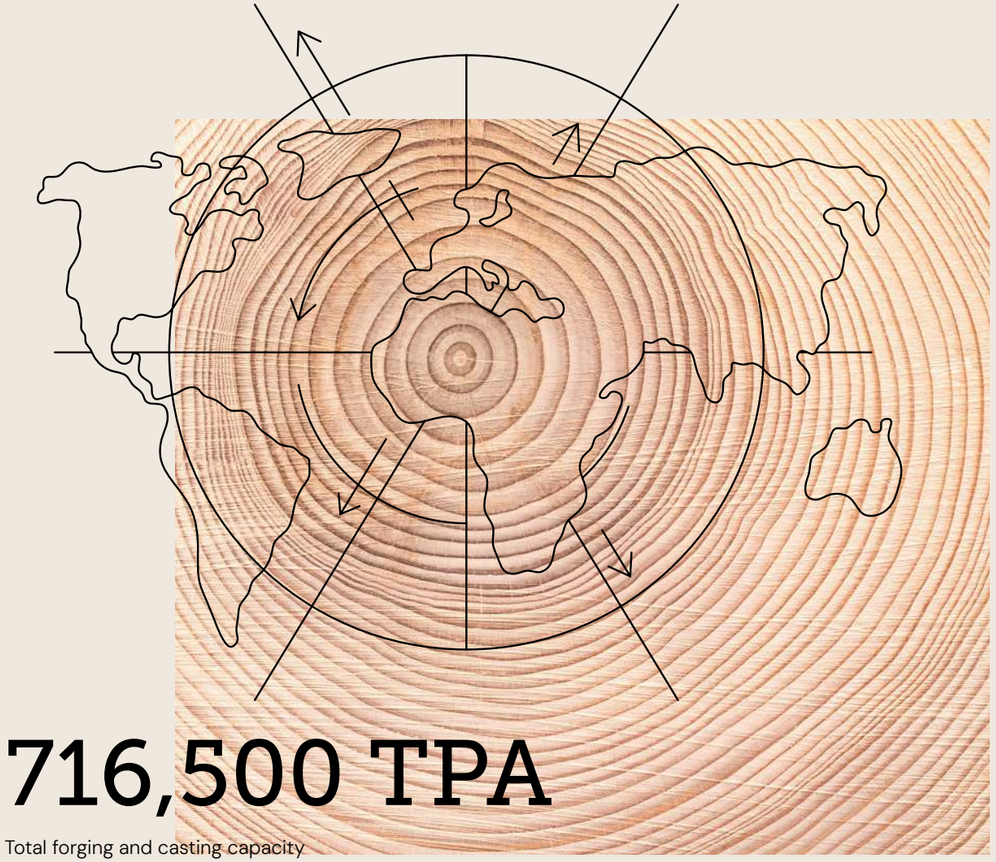


Standalone revenue by business (%)



GEOGRAPHIC FOOTPRINT

Expansive global presence



716,500 TPA

Total forging and casting capacity

Our presence across strategic geographies enables seamless support to customers worldwide. We operate 18 manufacturing facilities across five countries, with strong positions in India, North America and Europe. Integrated design, manufacturing and validation centres give us the ability to deliver complex, high-value engineering solutions.



India

11
Manufacturing plants

Forging and Machining Plants
Pune, Baramati, Satara, Chakan, Vadodara

Iron Castings Plant
Coimbatore, Erode

Aluminum Castings Plant
Nellore

Bharat Forge
Steel Forging Capacity: **370,400 MTPA**
Aluminum Casting Capacity: **2,400 MTPA**

JS Autocast
Iron Casting Capacity: **77,700 MTPA**

BF Industrial Technology & Solutions
Steel Forging Capacity: **12,500 MTPA**



North America

2
Manufacturing Plants

Steel Forging Capacity: **35,100 MTPA**

Aluminum Forging Capacity: **10,600 MTPA**



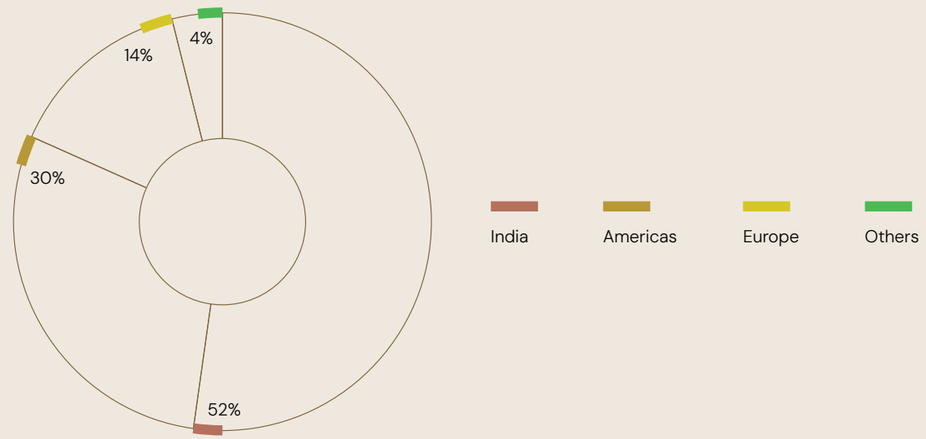
Europe

5
Manufacturing Plants

Steel Forging Capacity: **180,400 MTPA**

Aluminum Forging Capacity: **27,400 MTPA**

Standalone Revenue by Geography



VALUE CREATION MODEL

The enterprise multiplier

Completed 60 years of manufacturing operations in July 2026

- Largest repository of metallurgical knowledge in the region
- Providing end-to-end solutions including concept to finished products
- More than 30 years of exporting experience
- Contributing to India's transformation into a global economic powerhouse

Strategy

- S1 Focusing on the Indian market
- S2 Scaling high-growth verticals
- S3 Adding layer of products to the core forging business
- S4 Scaling the Indian subsidiaries
- S5 Financial prudence and operational focus
- S6 Digitalization and organizational capability

Read more
Pg. 28

Capital inputs

Value is created over time as stocks of capitals increase

Business model dependency on capital

High — Inputs

Financial capital
Primary capital to create value for the stakeholders

Capital employed in Assets: **₹175,279 million** | Net debt to equity: **0.18x** | Capex: **₹3,233 million**

Manufactured capital
Plants in India: **5** | Material cost: **₹32,456 million** | Manufacturing cost: **₹13,056 million**

Intellectual capital
Systems and technology powering efficient service delivery

R&D spend: **₹521 million** | R&D spend as % of revenue: **0.62%**
Patents filed in FY2026: **15** | R&D team strength: **107**

Medium

Human capital
Key enabler to our business

Total employees: **4,247** | Employee benefit expense: **₹6,760 million**
Training hours per employee: **22.46**

Low

Natural capital
Striving for cleaner footprints through resource-efficient practices

Renewable energy: 85.11 MW | % of electricity consumed from renewable resources: **38%**
No. of trees planted: **135,365**

Social and relationship capital
Relationships with key stakeholders to nurture our business

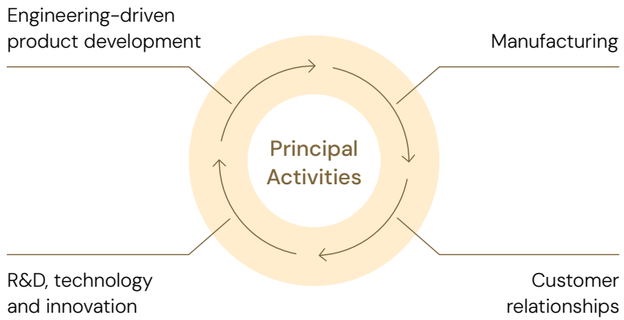
Societal well-being Investments (CSR Spend): **₹299 million**
Total volunteers: **3,000**

All numbers are on standalone basis

Value created through

Sources utilized

- Rich culture of research and engineering and product differentiation
- Deep and nurtured relationships
- Technical know-how of people
- Robust forging competence supported by Industry 4.0 excellence
- Vertically integrated model with end-to-end capabilities



Key Segments and Products

Automotive
Commercial | Passenger

Industrial
Power and Oil & Gas | Wind | Rail | Marine | Aerospace | Construction and Mining | Defense | Agriculture | Capital Goods | Semiconductors

Output generated

238,355 tons
Total tonnage

Key outcome delivered

Financial resilience and shareholder value

- Revenue from Operations: **₹83,957 million**
- EBITDA: **₹23,121 million**
- PAT: **₹8,187 million**
- RoCE (Net of cash): **14.9%**

Capitals impacted:

UN SDGs impacted:

Scale, market position and operational throughput

- Tonnage shipped: **238,355 tons**
- Standalone sales: **Leading manufacturer** of powertrain and chassis components
- Auto revenues: **₹39,038 million**
- Industrial revenues: **₹40,645 million**

Capitals impacted:

UN SDGs impacted:

Customer momentum and future order visibility*

- Secured new business: **₹4,814 crore**
- Unexecuted Defense orderbook: **₹10,961 crore**

Capitals impacted:

UN SDGs impacted:

Innovation, technology and intellectual property

- Process improvement: **18**
- Product improvement: **17**
- New products developed: **102**
- Technical papers published and presented: **8**
- Focus on Intellectual property ownership for defense products
- Developed indigenous small jet engines for UAVs indigenizing marine gas turbines for ships
- 2 existing technology centres, along with a third specialized facility in Bengaluru for turbines

Capitals impacted:

UN SDGs impacted:

People productivity, safety and employment generation

- Revenue per employee: **₹19.77 million**
- Lost time injury frequency rate: **0.57**

Capitals impacted:

UN SDGs impacted:

Community development and inclusive growth

- Lives touched through CSR: **333,959**
- Women empowered: **3,790**
- Students benefited: **5,785**

Capitals impacted:

UN SDGs impacted:

Environmental stewardship and resource efficiency

- Wastewater recycled: **100%**
- Usage of recycled water in operations: **49%**
- GHG emissions avoided through use of renewable energy (tCO_2e): **105,066**
- GHG emission intensity (Scope 1 & 2): Reduced **31% over six years**

Capitals impacted:

UN SDGs impacted:

Responsible manufacturing recognition

- Continuous **improvement in external sustainability ratings**

Capitals impacted:

UN SDGs impacted:

All numbers are on standalone basis
* Includes orders bagged by Bharat Forge and its subsidiaries

FROM THE CMD'S DESK

Transition being the real headline



BN Kalyani, Chairman and Managing Director

Every phase of industrial growth has its own demands. Some reward capacity. Some reward cost leadership. The phase ahead will reward capability, technology ownership, speed and the courage to build before demand fully unfolds. Bharat Forge understands this shift. We have been through cycles, entered new domains ahead of time and built the depth required to participate in opportunities that are now beginning to scale.



Dear Shareholders,

The world around us was unsettled in ways that had little to do with normal industrial cycles. Tariff actions in major economies and unrest in the Middle East added to uncertainty and reinforced the fragility of global supply chains. Neither of these was in our control, nor was it within anyone's forecast.

Our positioning allowed us to absorb these shocks without losing direction.

Manufacturing order is being rewritten.

The larger change around us is more structural. Manufacturing across the world is being reconsidered in a way many would have not envisaged. Trade is being repriced. Companies are reassessing supply chains, not only for cost but also for concentration risk, proximity to markets, resilience and trust. The question before global industry is where it can produce with reliability, scale, skill, stability and speed.

India is among the best placed countries to benefit from this shift. The country has scale, an expanding industrial base, a deepening technology ecosystem and policy continuity.



> Our positioning allowed us to absorb these shocks without losing direction.

Bharat Forge 2.0: The natural progression

In July 2026, Bharat Forge completes 60 years of manufacturing operations. This milestone is important, to recognize the natural progression of our Company. For most of our history, Bharat Forge was known as a capable components manufacturer. That description was accurate,. but it is no longer complete.

Over the years, we have moved from components alone to a combination of components, and finished products.. We have built businesses that draw strength from a common engineering foundation but now operate within their own customer segments, technologies and growth trajectories. This is the Company which is now a sum of the parts of various technologies and capabilities which we now refer to as Bharat Forge 2.0.

Bharat Forge 2.0 is the working form of a company that has transformed from a largely forging-led enterprise into a diversified advanced manufacturing group.

Forging: proof of breadth

Our core forging business remains the largest part of the Company. The North American commercial vehicle market moved through a sharp cyclical correction during FY2026, yet our standalone revenue contracted marginally due to the strength of our passenger vehicle, industrial business as well as diversification in new markets. The breadth we have spent a decade building visibly earned its place this year.

Moving up the value chain

Our defense business, housed in Kalyani Strategic Systems Limited, delivered the kind of year that a long period of patience and investment was meant to produce. We won the CQB Carbines contract; Along with the order for Advanced Towed Artillery Gun Systems, this helped our defense order pipeline increase to ₹10,961 crore as of FY2026. We co-developed the Vikram VT21, an 8x8 armored platform with a 30mm turret capable of firing at 550 rounds per minute, in partnership with DRDO. We entered integrated platform management systems for naval ships and broke ground on our maiden Defense Explosives manufacturing facility.

Our ongoing product development programs, supported by in-house technology, are intended to deliver customized solutions to the Armed Forces at speed, scale with design ownership residing in India. Step by step, we are growing from a manufacturer of weapons into a supplier of defense platforms across land, naval and air applications.

When a nation can build its own carbines, its own artillery, its own armored platforms and its own mission-critical systems, it stands more securely on its own feet. That is Aatmanirbhar Bharat in action. Bharat Forge intends to be one of the companies that gives this idea its industrial weight.

> When a nation can build its own carbines, its own artillery, its own armored platforms and its own mission-critical systems, it stands more securely on its own feet. That is Aatmanirbhar Bharat in action.

Another business with a long gestation period is the aerospace business. It has compounded significantly with revenue becoming almost 5x over FY21-26, driven entirely by exports. During the year, we became the first supplier-partner to Embraer from India. Our aerospace capabilities have expanded from complex engine components to landing gear systems and aircraft structural parts for several marquee customers. This is a vertical where credibility is built slowly, qualification cycles are long and trust compounds over time. We have invested in that patience, and the opportunity ahead is now becoming more visible.

Our castings business, JS Auto Cast, continued to demonstrate the value of disciplined acquisition and integration. Since acquisition, the business has grown revenue at a 15% CAGR, with profits rising even faster as the mix has become broader and deeper. Premji Invest's ₹300 crore investment for a 23% stake validates both the progress made and the growth potential ahead.

Our purchase of K Drive Mobility adds axle design and assembly to our range. This strengthens our position in products for SUVs, LCVs, buses and electric platforms. It also supports our ambition to become a full-spectrum axle supplier across mobility categories.

Agility reflected in performance

The year began with external uncertainty in our largest export market. At its sharpest point, our North American commercial vehicle exports fell 75% y-o-y. In our earlier configuration, a disruption of this scale could have set us back materially. This time, it did not.

Our consolidated revenue stood at ₹16,812 crore, up 11% y-o-y. Consolidated EBITDA stood at ₹2,911 crore, with a margin of 17.3%. We ended the year with consolidated cash of ₹2,931 crore on the balance sheet.

The story behind these numbers is the story of the transition we have been building. The businesses tested through the past cycle held firm and delivered. Our financial profile is now broader, and stronger than at any time in our history.



FY2026 demonstrated that the Company is increasingly defined by the breadth of opportunities it has created for itself.

Building for the next growth cycle

We also made modest progress towards entering the semiconductor equipment supply chain through the supply of forged and machined components. This is an early engagement, but one that can open significant opportunities over time as India builds greater depth in high-precision manufacturing and technology-led industrial supply chains.

Another emerging area is data centres. As the world builds more digital infrastructure, the demand for reliable back-up power is rising sharply. We are working closely with customers in this domain for the supply of engine components that support standby power plants.

To support these emerging businesses, we have embarked on an ambitious capex program. This includes an advanced ring mill and closed-die forging-cum-machining complex at Baramati. Designed as fungible capacities, these investments will create new avenues for complex and mission-critical products across energy, data centres, aerospace, defense and semiconductors.

Resilience through portfolio discipline

A resilient company must also know when to change course. This year, we made some clear and deliberate choices.

In Europe, where cost structures and market conditions have remained difficult, we are streamlining our manufacturing footprint and restructuring Bharat Forge CDP. We expect to complete this process by the end of CY2027. At the same time, we are exploring new industrial opportunities for our remaining European assets, alongside their existing automotive work.

In electric mobility, where the market outside China has evolved differently from earlier expectations, we are repositioning Kalyani Powertrain to build on the strengths developed over the past few years.

Backing the future and stepping back from what no longer fits are two sides of the same discipline.

Sustainability at the core

Sustainability at Bharat Forge is embedded in how we use energy, materials, technology and process improvement. Over the past six years, we have reduced carbon generated per ton, covering Scope 1 and Scope 2 emissions, by 31%. Our external sustainability ratings continue to improve, and industry recognition for our work has strengthened. We will share more as our targets mature into measurable outcomes.

Ready for the next industrial chapter

Every few years, Bharat Forge expands its horizon. We did it in industrial products in 2008. In passenger vehicles on scale in 2014. Defense in 2019. Aerospace in 2025. Each move looked bold at the onset but obvious in hindsight.

FY2026 marks another such transition. It opens the next chapter of Bharat Forge's evolution. Over the next five years, we aim to grow our India manufacturing operations at 15% CAGR, with profits rising faster. We have already put the products, the capital and the people in place. We have invested ahead of the demand we believe is coming.

As we complete 60 years of manufacturing operations, I see the milestone less as a commemoration of what has been achieved and more as a platform for what must now be built. The foundation is deep. The progression is natural. The opportunity is larger than at any point in our history.

I want to thank our shareholders, customers, partners, colleagues and the Government of India for the trust and support that have made this journey possible. The years ahead will ask a great deal of us, and I welcome that. With six decades of metallurgical excellence, engineering strength and manufacturing discipline behind us, Bharat Forge is ready for the next chapter.

Warm regards,

B. N. Kalyani

Chairman & Managing Director
Bharat Forge Limited

STRATEGY

Scaling the next movement

Our strategy is guided by engineering depth, disciplined execution and focused expansion into higher-value opportunities. We are strengthening core businesses while scaling defense, aerospace, industrials, subsidiaries and digital capabilities, aligned with India's manufacturing ambition and global innovation leadership.

S1

FOCUSING ON THE INDIAN MANUFACTURING

Efficiency levers

- Portfolio synergy
- Strategic capacity expansion
- Inorganic acceleration

Key updates

- Doubling down on India manufacturing driven by exports and domestic demand
- Global OEMs keen to diversify their supply chain are looking at India positively
- Reliability reinforced with longtrack-record for manufacturing safety critical products
- Indian manufacturing operations now contribute two-thirds of consolidated revenues

Capitals impacted

Risks associated

R1 R2 R5

Material topics linked

M1 M5 M8 M11 M13 M14

UN SDGs linked

S2

SCALING HIGH-GROWTH VERTICALS

Efficiency levers

- IP ownership in defense
- Global partnerships
- Specialized infrastructure development

Key updates

- Scaling up aerospace and Defense as the fastest-growing businesses, with growth outpacing company average by wide margin
- Driving aerospace growth through long-term contracts with global OEMs such as Rolls-Royce, Liebherr, Pratt & Whitney Canada and Embraer for engine, landing gear and aerostructure components
- Establishing new Ring mill in Baramati for aerospace
- Aim to grow Defense orderbook via introduction of new products/ platforms
- Scaling up Defense components manufacturing – Shells, Barrels and Turrets
- Expanding into components for data centre stand-by power equipment and energy systems, a high-growth global opportunity

Capitals impacted

Risks associated

R1 R3 R5

Material topics linked

M1 M4 M5 M10 M11 M14

UN SDGs linked



S3

ADDING LAYER OF PRODUCTS TO THE CORE FORGING BUSINESS

Capitals impacted

Risks associated

R3 R4 R6

Efficiency levers

Vertical integration | In-house technology stacks | R&D capabilities

Key updates

- Transitioning from component manufacturing to combination of components high-value products and systems
- Designing and developing defense products through proprietary technology and in-house IP, enabling unrestricted global exports
- Producing artillery guns, small arms, vehicles
- Developed indigenous unmanned platforms for under water applications
- Developing naval propulsion systems, creating MRO infrastructure for marine gas turbines to address domestic needs
- Axle Design & Assembly added to the mix via K Drive Mobility to deliver proprietary solutions for automobiles

Material topics linked

M1 M4 M5 M6 M9 M10 M11

UN SDGs linked

S4

SCALING THE INDIAN SUBSIDIARIES

Capitals impacted

Risks associated

R1 R2 R5 R6

Efficiency levers

External equity infusion | Product reorientation | Market share growth

Key updates

- Empowering Indian subsidiaries as independent growth drivers through targeted capital and specialized focus
- Secured ₹300 crore primary equity investment from Premji Invest to fund capacity expansion with minimal leverage at JS Autocast
- Reorienting K Drive Mobility towards LCV, SUV and Bus axles, won new orders for E-LCV platforms
- Developing Agneyastra Energetics as an ammunition and propellants manufacturer for Defense

Material topics linked

M1 M2 M5 M7 M14 M8 M11 M13

UN SDGs linked

S5

FINANCIAL PRUDENCE AND OPERATIONAL FOCUS

Capitals impacted

Risks associated

R1 R2 R3 R5

Efficiency levers

Asset restructuring | Strategic write-offs | Cost optimization

Key updates

- Focus on improving returns metrics for all businesses
- Maintaining a robust balance sheet while restructuring underperforming assets
- Restructuring at CDP Bharat Forge, Germany, to re-orient focus towards high growth businesses in India
- Maintain optimum Balance sheet leverage, FY2026 Consolidated net debt to equity ratio was 0.41x
- Consolidated Cash generated from operations to support new investments

Material topics linked

M1 M8 M10 M13 M14

UN SDGs linked

S6

DIGITALIZATION AND ORGANIZATIONAL CAPABILITY

Capitals impacted

Risks associated

R4 R6 R5

Efficiency levers

AI Centre of Excellence | Automation | Upskilling programs

Key updates

- Integrating advanced technologies and building a talent pipeline for future-ready manufacturing
- Partnering with Agile Robots to deploy AI-driven robotic solutions and progress towards autonomous dark factories
- Instituted Training and degree programs with BITS Pilani, IIT Bombay and Warwick University to build high-skilled engineering talent

Material topics linked

M4 M5 M6 M7 M9 M12 M14

UN SDGs linked

STAKEHOLDER ENGAGEMENT

Engagement across every critical link

We maintain focused, transparent and continuous engagement with our stakeholders, anchored in trust, responsiveness and shared value. Their perspectives guide our priorities, shape our actions and enhance our ability to grow as a reliable partner in progress.

Stakeholder engagement process

Identifying issues that influence our operating context and future landscape

Analyzing underlying causes to frame effective mitigation responses

Spotting opportunities arising from market shifts to strengthen competitiveness

Anticipating disruptions across markets, models and supply chains

Building expert relationships to evolve our business model proactively

Value created in FY2026

Stakeholder group	Value created*	Capitals and UN SDGs mapped	Material topics	Strategies linked	Risks mapped
Employees	**₹6,760 million** Expenses and benefit		M2 M7	S4 S5 S6	R1 R4 R6 R7
Shareholders	**₹4,064 million** Dividend declared		M1 M10	S1 S2 S3	R1 R3 R4 R5
Communities	**₹299 million** CSR spending		M2 M3 M14	S1 S4 S6	R1 R2 R7
Government	**₹4,524 million** Provision for Tax		M1 M2 M3 M14	S1 S2 S3 S5	R1 R2 R4 R5 R7
Customers	**Differentiated products and solutions and engineering support**		M1 M5 M9 M10 M11 M12	S2 S3 S6	R2 R3 R4 R7
Business partners	**Strengthened long-term partnerships**		M6 M8 M13 M14	S3 S4 S6	R2 R3 R4

*All numbers are on standalone basis

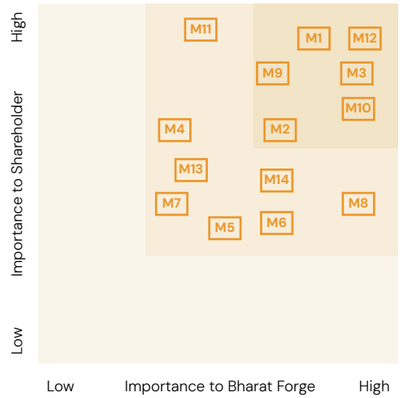
MATERIALITY ASSESSMENT

Priorities shaping our progress

Our materiality assessment enables us to identify and prioritize issues that shape long-term value creation. This ensures our strategy stays aligned with emerging expectations, strengthens business resilience and supports responsible, sustainable growth.

Approach to materiality

We carried out an internal engagement exercise involving cross-functional teams and key stakeholder inputs to determine material issues relevant to our operations. The process drew on external interactions, internal survey insights and industry benchmarking, and was conducted in accordance with the GRI materiality principles.



M1 Sustained performance & quality

Capitals impacted

Strategies linked: S1 S2 S3 S5

Risks linked: R1 R2 R3 R4

UN SDGs linked

Stakeholders impacted

M2 Health, safety and environment

Capitals impacted

Strategies linked: S6

Risks linked: R1 R6

UN SDGs linked

Stakeholders impacted

M3 Climate change

Capitals impacted

Strategies linked: S1 S2 S3 S4

Risks linked: R1 R2

UN SDGs linked

Stakeholders impacted

M4 Intellectual property

Capitals impacted

Strategies linked: S1 S2 S3 S4

Risks linked: R4 R7

UN SDGs linked

Stakeholders impacted

M5 Innovation

Capitals impacted

Strategies linked: S2 S3 S6

Risks linked: R4 R6

UN SDGs linked

Stakeholders impacted

M6 IT, data centre & far sight disaster recovery

Capitals impacted

Strategies linked: S6

Risks linked: R7

UN SDGs linked

Stakeholders impacted

M7 Human capital development

Capitals impacted



Strategies linked

S4 S6

Risks linked

R6

UN SDGs linked



Stakeholders impacted



M8 Maintenance

Capitals impacted



Strategies linked

S5 S6

Risks linked

R1

UN SDGs linked



Stakeholders impacted



M9 Data protection

Capitals impacted



Strategies linked

S6

Risks linked

R7

UN SDGs linked



Stakeholders impacted



M10 Brand risk/reputation

Capitals impacted



Strategies linked

S1 S2 S3 S5

Risks linked

R1 R4 R7

UN SDGs linked



Stakeholders impacted



M11 Customer satisfaction

Capitals impacted



Strategies linked

S2 S3 S5

Risks linked

R2 R3 R4

UN SDGs linked



Stakeholders impacted



M12 Disaster recovery

Capitals impacted



Strategies linked

S5 S6

Risks linked

R1 R7

UN SDGs linked



Stakeholders impacted



M13 Supply chain management

Capitals impacted



Strategies linked

S1 S2 S4 S5

Risks linked

R1 R2 R3

UN SDGs linked



Stakeholders impacted



M14 Corporate governance & business ethics

Capitals impacted



Strategies linked

S5

Risks linked

R1 R5

UN SDGs linked



Stakeholders impacted



Strengthening

OUR FOUNDATION

40 — 41 FINANCIAL CAPITAL

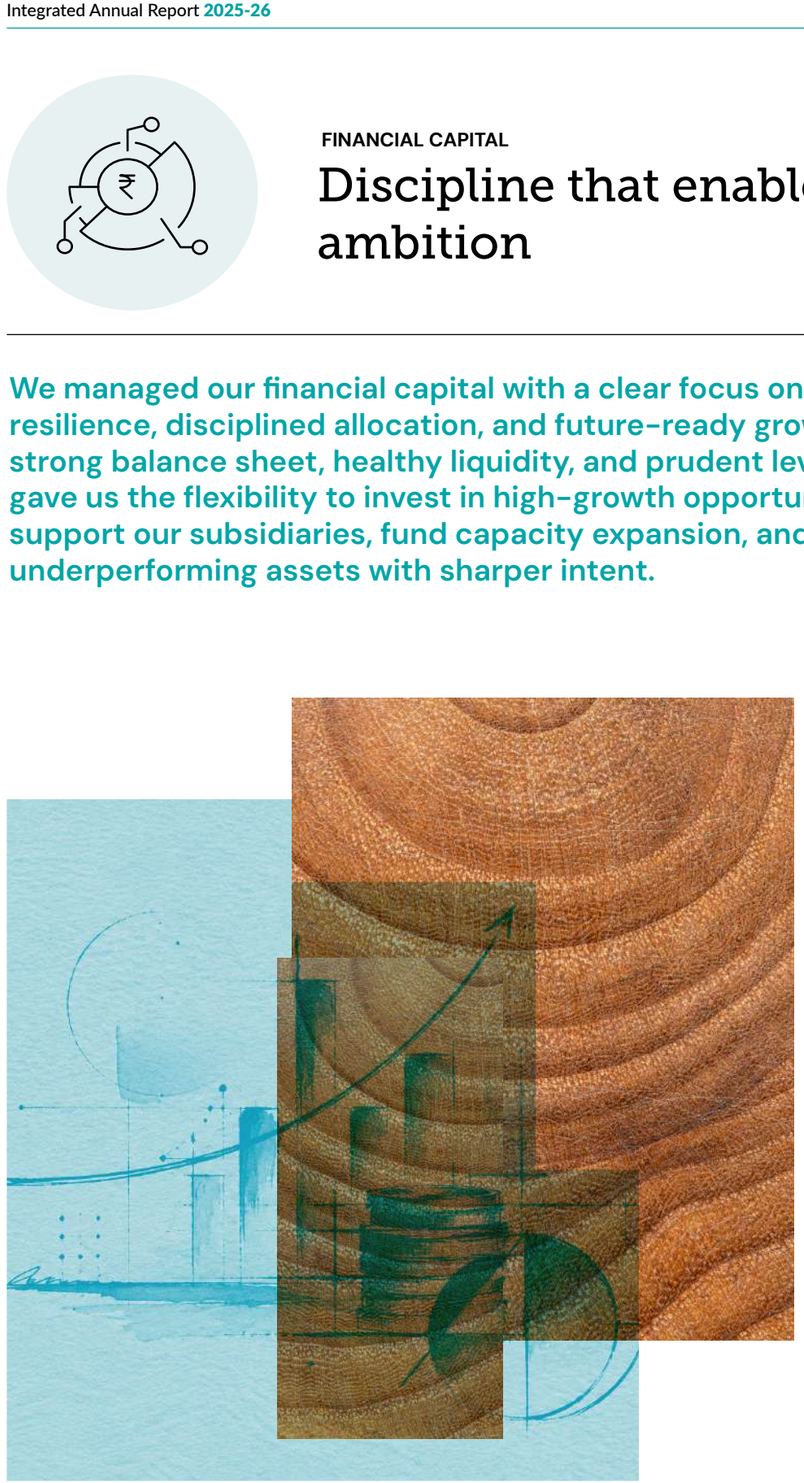
42 — 45 MANUFACTURED CAPITAL

46 — 49 INTELLECTUAL CAPITAL

FINANCIAL CAPITAL

Discipline that enables ambition

We managed our financial capital with a clear focus on resilience, disciplined allocation, and future-ready growth. Our strong balance sheet, healthy liquidity, and prudent leverage gave us the flexibility to invest in high-growth opportunities, support our subsidiaries, fund capacity expansion, and address underperforming assets with sharper intent.



Material topics linked

M1

Risks Linked

R1 R3 R5

UN SDGs Linked



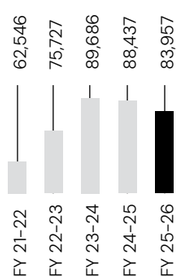
Incubation/ Investment underpinned by strong balance sheet

Bharat Forge maintained a healthy Standalone net cash position (net of long-term loans) of ₹4,638 million. A strong cash position and low leverage gives us the flexibility to incubate new technologies and build capabilities ahead of time. Our balance sheet strength allows us to pursue Mergers and Acquisitions with limited dependency on external financing.

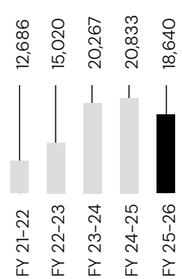
Allocating capital to high-value platforms

We have always prioritized investments in high-value complex projects. Our planned investments across forging, machining and products platforms is a step in that direction. Our capital allocation remained focused on businesses with stronger growth visibility, including aerospace and defense, where long-term programs represent healthy revenue accretion as well as recurring business pipeline for maintenance, support, and spares.

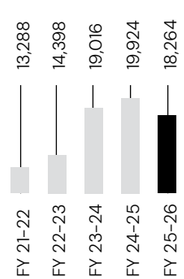
Revenue
(₹ million)



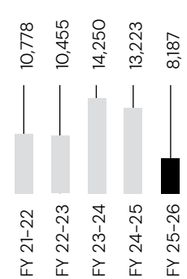
EBIT
(₹ million)



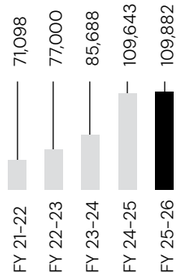
Profit Before Tax
(₹ million)



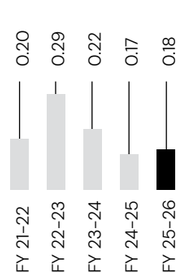
Profit After Tax
(₹ million)



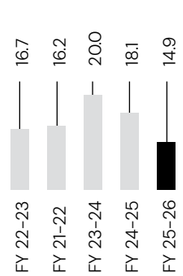
Net Worth
(₹ million)



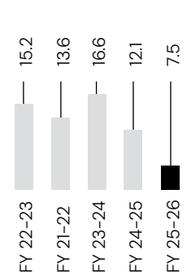
Net Debt to Equity Ratio (X)



RoCE (Net of Cash)
(%)



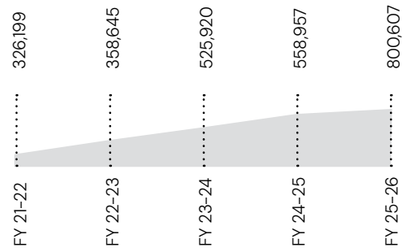
RoNW
(%)



All numbers on standalone basis

Value created for shareholders

Market Capitalization
(₹ million)



₹40

Cumulative dividend declared per share in 5 years

What's next

- Maintain a strong balance sheet and healthy liquidity to support organic and inorganic growth
- Deploy capital toward India-led opportunities across sectors
- Prioritize capital allocation toward businesses with stronger return visibility and long-term growth potential
- Sustain RoCE through operational efficiency and greater in-house value addition

MANUFACTURED CAPITAL

Precision built into scale

We are strengthening our manufactured capabilities to support our evolution into a broader engineering-led enterprise. Our global manufacturing footprint, specialized production lines, and capacity expansions enable us to serve complex requirements across automotive, defense, aerospace, industrials, and emerging technology platforms.



Material topics linked

M1 M2 M5 M8 M11 M13

Risks Linked

R1 R2 R3 R5

UN SDGs Linked



Initiatives undertaken

Expanding our manufacturing footprint for advanced growth

We operate 5 manufacturing units in India. We engineer products made using Steel alloys, Titanium and Inconel. This footprint enables us to serve geographically dispersed customers across automotive, defense, aerospace and industrial sectors, with integrated capabilities from design to validation.

5 manufacturing locations

Spread across two states, enabling full-service supply capabilities from design to validation

238,355 tons

Standalone sale tonnage reported by Indian operations in FY2026

Building specialized forging and machining capacity for aerospace and high value manufacturing

We are expanding our manufactured capital through high-value projects across Baramati and Pune. We are also investing to build new forging & machining capacity for Aerospace, Data centre's energy systems and semiconductor manufacturing equipment. Investments in Ring mill, Forging and machining assets at Baramati, are expected to handle specialty alloys for Aerospace Forging, Large engine components to support Back-up power generators for data centres and forged components for semiconductor manufacturing equipment. Designed as fungible capacities, these capabilities will establish us as a supplier of complex Forgings for highly critical assignments.

Deepening defense, and product-led manufacturing

We are strengthening vertically integrated defense manufacturing capabilities across large-caliber ordnance, small arms, Artillery, Naval and Unmanned autonomous vehicles.

76 mm to 155 mm consumables capability

Supported by vertically integrated manufacturing for large-caliber defense systems

Manufacturer of Barrels and Turrets

Capability to supply full machined Artillery Barrels and Turrets, opening significant new business as well as replacement opportunities

All numbers quoted on standalone basis

Certified under standards*

	Scope	Sector
ISO 9001:2015	Forging, Machining & Fabrication of Components	Engineering & Capital Goods
IATF 16949:2016	Forging, Machining of Steel Components	Automotive
AS 9100:2016	Forging & Machining of Components	Aerospace, Defense & Space
API Spec Q1 & 20B	Open Die Forging using Steel Alloys	Oil & Gas
ISO 14001:2015	Close, Open Die Forging and Machining	Environment Management
ISO 45001:2018	Close, Open Die Forging and Machining	Occupational Health & Safety
NADCAP Heat Treatment	Cover Heat Treatment for Steel, Titanium, Nickel and Cobalt Alloys	Aerospace
NADCAP Non-Destructive Testing	Cover Inspection for Multiple Impurities including Magnetic Particles	Aerospace
DAQA	Manufacturing & Machining of Steel, Titanium and Alloy Forging	Aerospace Quality Assurance
ISO 27001:2022	Information Security	Defense, IT Data Centre, IT Services & Support and Engineering Design Centre
ISO 50001:2018	Close, Open Die Forging and Machining	Energy Management
ISO 17025:2017	Metallurgy Lab	Engineering & Capital Goods

*On standalone basis

Our India manufacturing excellence (includes India subsidiaries)

Scaling adjacent platforms and increasing Content per customer

JS Autocast is expanding casting capacity, with a focus on the medium-weight segment. Investments in machining will lead to more in-house value capture. We have seen tangible wallet share gains by combining Forgings and Castings solutions to some of our leading customers

The acquisition of K Drive Mobility has added manufacturing facilities and engineering know-how for LCV, SUV, Buses and E-LCV axles.

Going ahead our focus on engineered, high value products will significantly alter the product mix of Bharat Forge's India business.

₹1,000 crore planned capex for India operations over FY2027

Planned over 12-15 months across Forging, Casting, Products platforms and Explosives with a focus on high-value engineered products and complex components

Capturing more value in explosives manufacturing

With an aim to increase our value-add and forward integrate, our step-down subsidiary, Agneyastra Energetics, acquired land for an integrated campus in Andhra Pradesh to manufacture advanced ammunition, propellants and high-safety testing infrastructure.

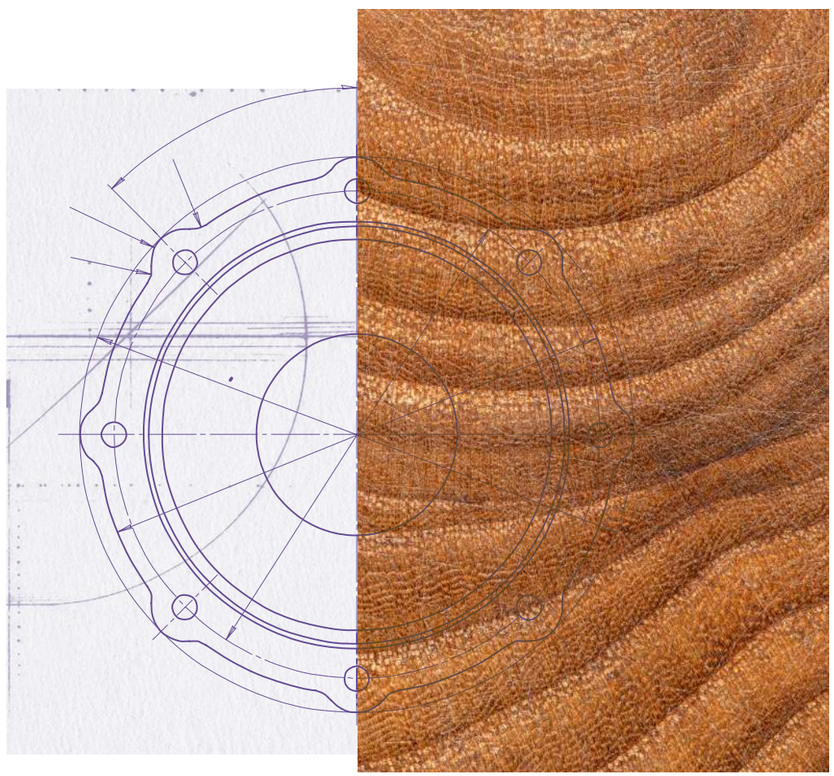
What's next

- The near-term outlook remains strong driven by growth in Aerospace business, supply of engine components to back up power generators for data centres
- New Aerospace Forging capacity to become fully operational in FY2028. The recent order wins for Engine components, Landing Gear Systems and Aircraft structural parts from marquee names like Rolls Royce, Liebherr Aerospace, Pratt & Whitney Canada offer a steady growth pipeline
- Bharat Forge became the 1st supplier to Embraer from India. Engagement to commence with supply of Landing Gear components
- New initiatives for high value components supply to large Generators supporting data centres
- Scale up of Axle Products portfolio with focus on LCV, SUVs, buses and E-mobility platforms
- JS Autocast to be the anchor platform for all Ferrous Casting related activities of Bharat Forge Group. Recent fund raiser will drive capacity expansion on the Foundry and Machining side. In addition to small castings, JS Autocast is building competency to venture in the medium weight category as well
- New capex program across the organization and its Indian subsidiaries will drive growth in high-value complex components as well as set the stage for roll-out of more products/ platforms.

INTELLECTUAL CAPITAL

Intelligence behind the advance

We are strengthening our intellectual capital to support our transition from a metallurgy-led enterprise to an engineering-led global conglomerate. Our deep metallurgical knowledge, proprietary IP, technology centres, R&D capabilities and strategic collaborations enable us to design, develop and manufacture high-value systems across defense, aerospace, mobility, electronics, propulsion and future technology platforms.



Material topics linked

M4 M5 M6 M9 M10

Risks Linked

R4 R7

UN SDGs Linked



Initiatives undertaken

Building proprietary IP-led platforms

We hold IP for indigenous defense products, giving us the ability to export weapon systems globally without foreign-licensed technology restrictions. Major platforms such as ATAGS and CQB Battle Carbines are designed, developed and manufactured in-house, reinforcing our position as a differentiated private-sector defense player with control over technology, product development and global market access.

IP ownership

Hold IP for most of our indigenous defense products, significantly improving export prospects

Strengthening R&D infrastructure and centres of excellence

We operate dedicated technology centres, including a specialized facility in Bangalore for turbine research. Our R&D agenda now extends beyond traditional metallurgy into electronics, embedded software, propulsion systems, AI-led design and product engineering. We have also established an AI incubation centre, where agentic AI is being used to improve productivity and shorten the concept-to-product cycle.

Three technology centres

Including two general centres and one specialized Gas turbine research facility in Bengaluru

AI Centre of Excellence

Established to drive internal productivity, innovation and faster product development

Advancing next-generation product development

Our R&D efforts are focused on platforms that expand our role from components to complete systems. These include unmanned systems next-generation propulsion systems, future combat platforms, advanced naval guns and high-value engine components for data centre energy systems.

Small Jet engines in 40 kgf - 45 kgf thrust range

Jet engines developed for unmanned systems and cruise missiles

Signed MoU

for India's first private-sector Marine Gas Turbine MRO

Developed Vikram VT 21, an advanced armored platform for the Armed Forces

Part of our ongoing efforts to build futuristic armored platforms. Platform development also resulted in indigenous competency for manufacturing 30mm turrets.

Expanding innovation and building talent pipeline through collaborations and partnerships

We are deepening research and development partnerships with DRDO and ARDE to accelerate indigenous weapon system development.
We are also working with Agile Robots for AI-driven robotic solutions for manufacturing and international partnerships such as Windracers for heavy-lift drone technology. In parallel, we have restarted internal training and degree programs with BITS Pilani, IIT Bombay and Warwick University to build a steady pipeline of high-skilled engineering talent.

DRDO and ARDE partnerships

Focused on accelerating indigenous weapon system development

Agile Robots partnership

Focused on AI-driven robotic solutions for autonomous factory capabilities

Windracers collaboration

Focused on heavy-lift drone technology

BITS Pilani, IIT Bombay and Warwick University programs

Restarted to offer bachelor's and master's degree pathways for employees

R&D FOCUS AREAS

- Expanding indigenous defense platforms with proprietary design, development and manufacturing capabilities
- Building advanced unmanned Autonomous systems, incorporating data-driven decision-making
- Develop capability in designing Axles for all forms of ICE and electric platforms with near term focus on SUVs, LCVs, E-LCVs and Buses
- Developing propulsion technologies, including Marine Gas Turbine and small indigenous jet engines
- Building future-ready land-based armored platforms as well as advanced ship engines and transmission components and systems for naval needs

What's next

- Deepen proprietary IP across defense, aerospace and propulsion systems
- Use AI and automation to shorten development cycles and improve engineering productivity
- Expand R&D capabilities in turbine technology and propulsion systems
- Strengthening global technology partnerships selectively for advanced systems
- Build a stronger internal talent pipeline for high-end engineering and product development
- Increase participation in complete products, moving further beyond component-led manufacturing



Advan-cing

OUR COMMITMENTS

52 — 55 SUSTAINABILITY GOALS

56 — 59 NATURAL CAPITAL

60 — 61 HUMAN CAPITAL

62 — 65 SOCIAL AND RELATIONSHIP CAPITAL

66 — 67 GOVERNANCE

68 — 70 RISK MANAGEMENT

71 CORPORATE INFORMATION

SUSTAINABILITY GOALS

Commitments that guide tomorrow

Sustainability is the bedrock of enduring value creation at Bharat Forge. Our approach is guided by three interconnected pillars. 'Growth that Gives Back' aligns our expansion with responsibility, ensuring that progress uplifts communities and safeguards vital resources. 'Innovation with Purpose' embeds ESG thinking into our products, processes and engineering capabilities, turning responsible practices into a competitive advantage. 'Safer Systems, Smaller Footprint' reinforces our focus on decarbonization, risk mitigation and the highest standards of safety, as we build resilient systems for the future.



Sustainability framework

Our sustainability framework ensures identifying and addressing material risks and opportunities influencing value creation for the stakeholders. Anchored in a top-down approach, it embeds sustainability values from leadership priorities to frontline execution and integrates ESG considerations across our operations. It also guides our progression towards global best practices, supports innovative solutions and shapes the initiatives and investments that advance our ambition to become a sustainability leader within the manufacturing sector.

We embedded ESG into our operations through:

- A measurable decarbonization roadmap
- ESG Committee oversight led by Executive-cum-Joint Managing Director
- Function-wide ESG governance and accountability

Strengthening ESG performance and disclosure

We have aligned internal practices with external ESG rating frameworks to improve transparency, disclosure quality and external assessments across environmental, social and governance themes. A Board-level ESG Committee steers our strategy and roadmap, while a structured gap analysis, supported by materiality assessment, defines short- and long-term focus areas. We have also published GRI-aligned Sustainability Reports for fourth consecutive years, with third-party assurance for the latest three editions, supported by stronger climate disclosures, supplier assessments and policy enhancements.

ESG ratings

S&P Global

2021	**18**
2022	**41**
2023	**46**
2024	**46**
2025	**52**

SUSTAINALYTICS a Morningstar company

2021	**29.4**
2022	**23.5**
2023	**21.7**
2024	**20.2**
2025	**26.05**

MSCI

2021	**CCC**
2022	**CCC**
2023	**B**
2024	**B**
2025	**BB**

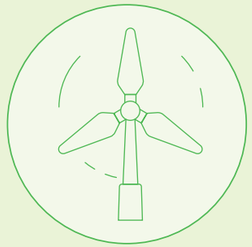
CDP DISCLOSURE INSIGHT ACTION

2021	**F**
2022	**B–**
2023	**B–**
2024	**B+**
2025	**B+**

ecovadis

2021	**36**
2022	**49**
2023	**52**
2024	**56**
2025	**64** (Bronze Medal)

ESG goals aligned to UN SDGs*



Environmental

Resource efficiency
- 80% Renewable Energy by 2030
- 60% reduction in Energy Intensity by 2030
- 50% Secondary RM by 2030
- 40% reduction in Water Intensity by 2030
- 60% Recycled water by 2030
- Water Positive by 2030

Emissions & Waste management
- 54.6% lesser Scope 1 & 2 emissions by 2033
- 54.6% lesser Scope 3 emissions by 2033
- 50% reduction in Waste Intensity by 2030
- Zero Waste to Landfill by 2030
- Carbon Neutral by 2045



Contribution to UN SDGs
- Progressing towards a low-carbon economy through cleaner fuels, energy efficiency and higher renewable energy share
- Completed sustenance audits for ISO 50001:2018, ISO 14001:2015 and ISO 45001:2018 across all sites
- Estimated operational GHG emissions and identified further reduction actions
- Improving resource efficiency through reduce, recycle and reuse principles, including higher use of secondary raw materials
- Monitoring and controlling water consumption through existing water management systems to reduce freshwater use, increase recycled water use and move towards water positivity
- Reducing waste generation, ensuring effective disposal and advancing towards Zero Waste to Landfill



Social

Human capital management
- Employee training hours – 48hrs/ year by 2030
- 75% reduction in LTIFR by 2030
- 8% women in managerial & Leadership positions by 2030

Engaging business partners
- Sustainability Index >75% by all Critical suppliers by 2030
- 50% RE use by Top suppliers by 2030
- PCF for mainstream products by 2030
- Active engagement with customers on ESG aspects by 2030

Giving back to communities
- Plant 1 million Trees by 2030
- 100 Green Villages by 2030
- Education & Skill development by 2030



Contribution to UN SDGs
- Deploying best practices in employee health and safety to reduce workplace incidents
- Training employees on emerging technologies and advanced engineering concepts
- Conducting human rights due diligence across operations to ensure compliance
- Assessing supplier sustainability through audits, the Supplier Sustainability Index and site assessments of hazardous waste recyclers
- Sustaining customer engagement through digital platforms and team visits to support new product development
- Driving holistic development across 130 villages through water availability, livelihood, healthcare, education and infrastructure initiatives, with six villages externally certified as 'Green Villages'
- Undertaking education and skill development programs for youth, women and farmers



Governance

Good governance
- 100% regulatory compliance
- Effective data privacy management

Compliance to ethics
- 100% employees trained on business ethics
- Ensure compliance to human rights requirements



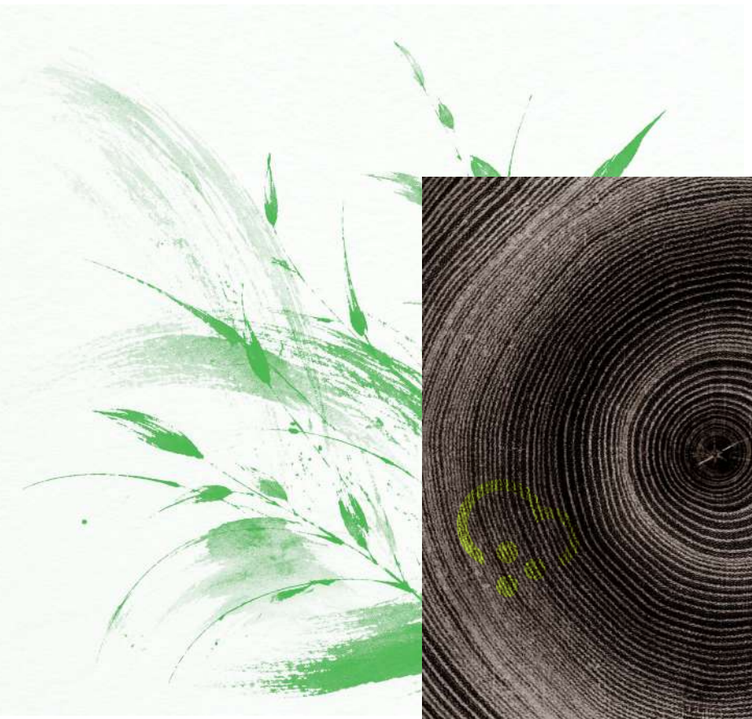
Contribution to UN SDGs
- Ensuring ethical conduct and regulatory compliance, with a continued track record of zero instances of non-compliance
- Strengthening governance and accountability through third-party assured BRSR, Sustainability Reports and Integrated Annual Reports
- Driving technology-led innovation through lightweight automobile components, e-mobility solutions and Industry 4.0 applications to improve fuel efficiency, cleaner mobility and plant productivity
- Implementing robust cybersecurity practices to protect customer data and business assets
- Supporting job creation and economic growth across our operational regions
- Conducting materiality assessments to review ESG issues and update the ESG roadmap

*FY2020 is considered as baseline year

NATURAL CAPITAL

Responsibility beneath progress

As an engineering-led manufacturing company, we recognize the environmental implications of industrial growth and continue to embed cleaner technologies, resource efficiency and circular practices into our operating model. Our approach is guided by the need to reduce carbon intensity, conserve natural resources, improve process efficiency and build a planet-positive future. This is reflected in our transition to renewable energy and other resources, smarter water systems, Zero Liquid Discharge facilities and stronger waste recovery practices.





Material topics linked

M2 M3

Risks Linked

R2

UN SDGs Linked

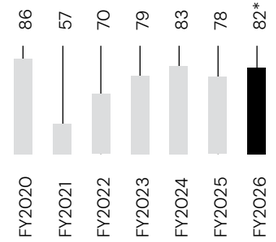
Reducing greenhouse emissions

We are continually taking measures to reduce our carbon emissions and thereby decarbonize our operations. Adoption of renewable energy is an important step towards this. In FY2026, 38.02% of the electricity consumption was from renewable source, 1,15,797 MWh from solar energy and 32,183 MWh from wind energy.

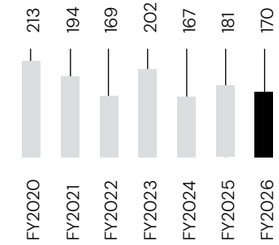
During FY2026, we undertook a comprehensive set of energy efficiency initiatives across our manufacturing ecosystem, reinforcing our commitment to sustainable growth. By embedding automation, real-time control logic, and eliminating idle energy consumption across machines and utilities, we have enhanced both performance and efficiency. Our efforts in furnace optimization, reduction of thermal losses, and elimination of redundant energy-intensive equipment further contributed to improving overall energy productivity. Through a balanced approach of combining advanced technologies and operational discipline, we optimized critical utilities such as compressed air systems and cooling infrastructure, while scaling the adoption of high-efficiency solutions including heat pumps and Variable Frequency Drives. This helped in reducing the energy consumption to the extent of 4,743 MWh and reduction of carbon dioxide emissions by 3,367 tons.

Use of alternate fuels in the furnace operations because of scarcity in gas in Q4FY2025-26 has led to a minor increase in scope 1 greenhouse gas (GHG) emissions.

Scope 1 emissions
(thousand tCO_2e)



Scope 2 emissions
(thousand tCO_2e)



*FY2026 saw one-time spike due to use of alternate fuels.

Actions identified as part of Climate Risk Assessment were taken up for implementation across all plants of Bharat Forge. We have mapped our operational carbon footprint, which helped us in defining the emission reduction targets. Near term GHG emission reduction targets are approved by SBTi. In line with SBTi, we will reduce Scope 1, Scope 2, & Scope 3 emissions by 54.6% by FY2033 as compared to baseline year FY2020.



Ensuring zero liquid discharge

Water stewardship remains central to our natural capital strategy. We focus on reducing freshwater consumption, improving water efficiency and strengthening reuse through advanced treatment systems and digital monitoring.

We have formulated a water management system and are undertaking multiple efforts to effectively control the industrial wastewater generated by our activities. Water consumption monitoring was done the entire year through digital meters and IoT platforms. Monitoring water consumption on real-time basis helped in reducing the freshwater intake. Actions identified as part of water risk assessment were taken up for implementation in our operations. Implementation of these actions would help in achieving our target of becoming water positive by 2030. Almost half of our water consumption was fulfilled through recycled sources in FY2026.

Our manufacturing facilities have Effluent Treatment Plants (ETP) and Sewage Treatment Plant (STP), as a ZLD company, we ensure no discharge of waste or treated water from our factory premises. All treated water is recycled efficiently and used for our operations to reduce freshwater consumption.

49%

Water sourced from recycled sources

Waste management

Our waste management approach is anchored in the principles of reduce, reuse and recycle, supported by circular economy practices across manufacturing and allied operations. We focus on minimizing hazardous and non-hazardous waste at source, improving segregation, strengthening recovery and diverting waste from landfill. We practice mapping waste generation and disposal methods to better understand our waste profile and take necessary actions. In FY2026, we recycled 99.27% of the total waste generated in the operations. We recycle and re-use the entire metal scrap generated in our process.

Hazardous waste is handled in strict compliance with MPCB norms and routed only through authorized agencies for safe storage, transport, recycling and disposal.

We initiated recycling of waste oil via a change in disposal pathway to limit the quantity of hazardous waste and ETP sludge thereby reducing the disposal to landfills. This would help us in achieving our target of Zero Waste to Landfill by 2030. Further, all hazardous waste is handled as per MPCB regulations, and they are sent to relevant authorized agencies for proper treatment.

Waste audits, monthly dashboards and authorized handler assessments further strengthen traceability, compliance and our progress towards Zero Waste to Landfill.

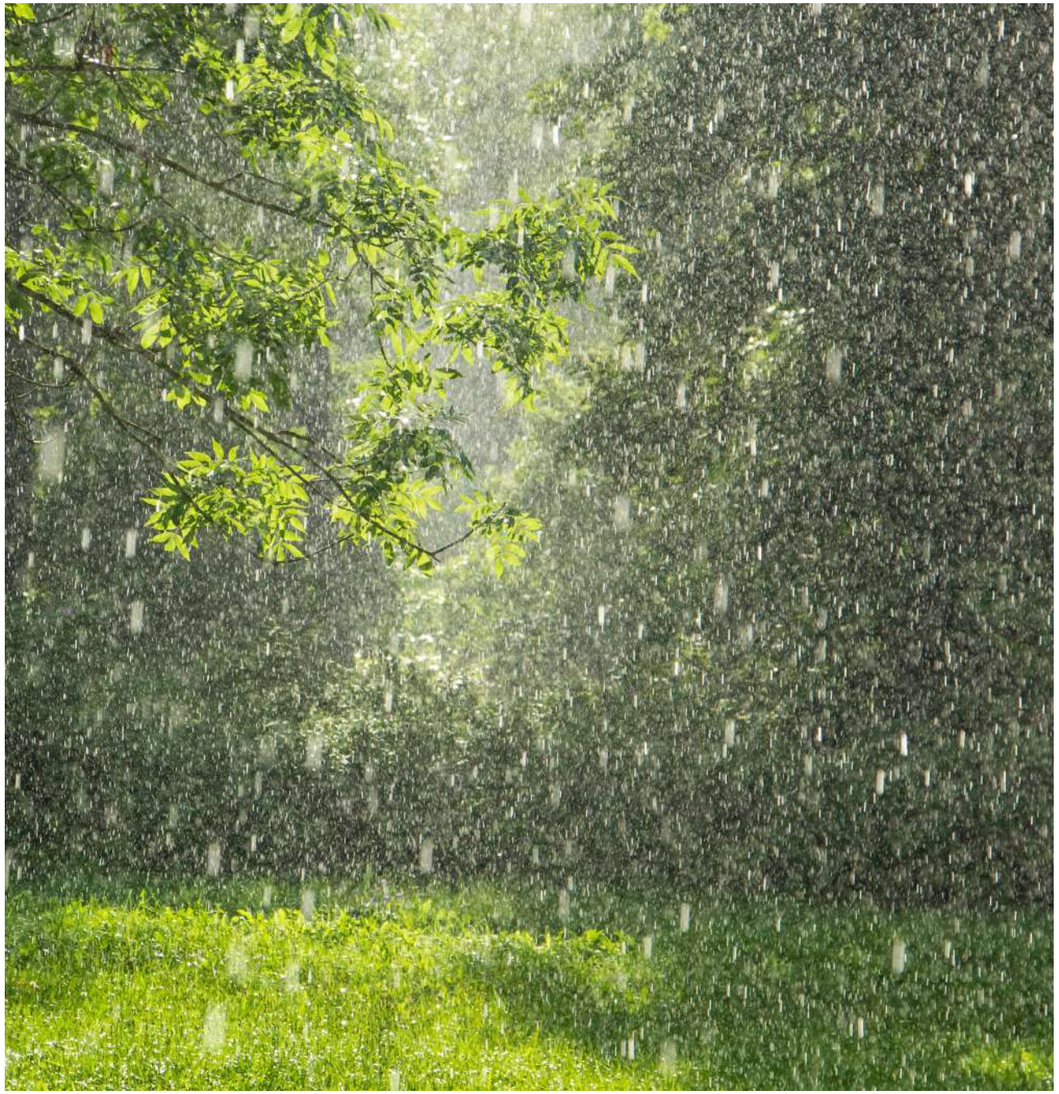
38%

Electricity sourced from renewable sources

Particulars	FY2025	FY2026	Change (%)	
Energy Consumption (GJ)	2,697,120	2,769,853	2.69	↑
Scope 1 & 2 Emission Intensity (tCO_2e / MT production)	0.998	1.063	5.61	↑
Scope 1 & 2 GHG Emission (Thousand tCO_2e)	259	253	2.32	↓
% Renewable Energy of Total Electricity Consumed	37.16%	38.02%	2.31	↑
Non-Hazardous Waste (Kg per MT of production)	405.95	409.22	0.80	↓
Hazardous Waste (Kg per MT of production)	5.52	5.23	5.25	↓
Specific Water Consumption (KL/MT Production)	3.81	3.63	4.72	↓
% Recycle of Water of Total Water Consumption	40.84%	49.34%	20.81	↑
Wastewater Discharge (m^3/day)	0	0	0.00	-
LTIFR (Lost Time Injury Frequency Rate)	0.44	0.57	29.55	↑
Use of Secondary Raw Material	41%	36%	12.20	↓

What's next

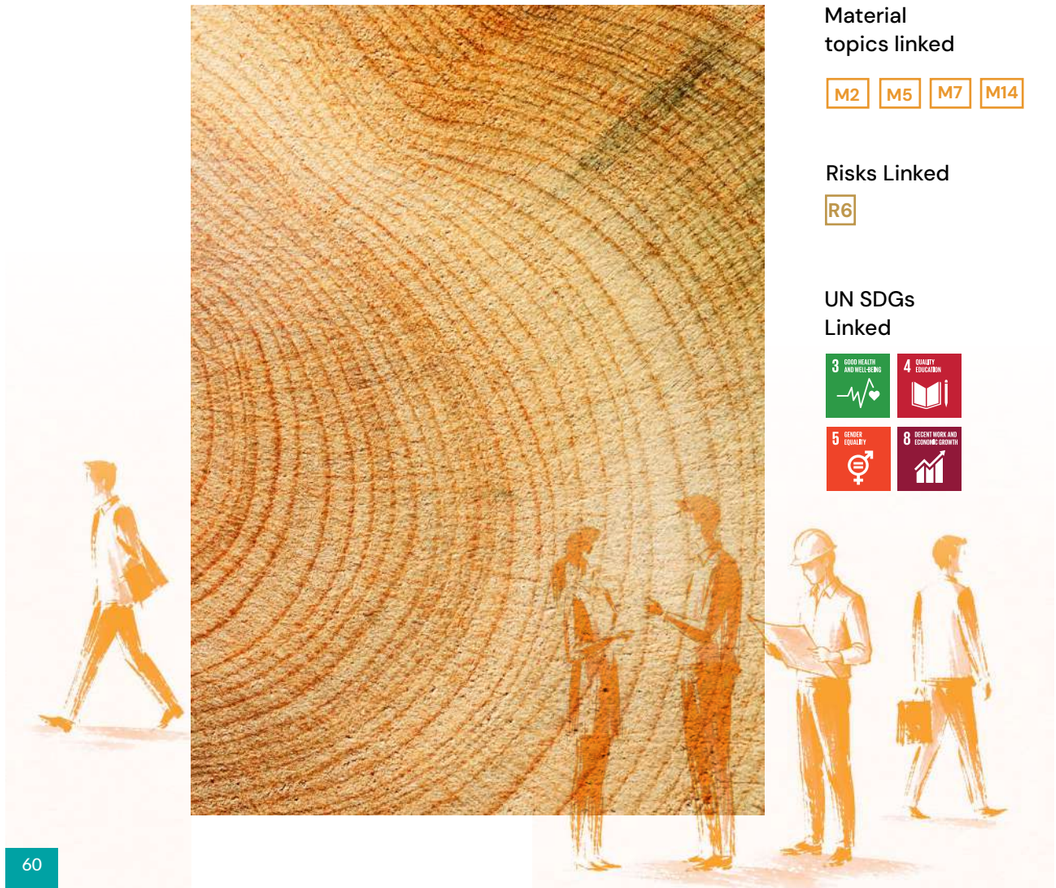
- We will continue to leverage technology, innovation and collective commitment to advance our climate and ESG goals
- Our ESG Roadmap has been modified based on the double materiality assessment
- Reporting for the current financial year will be aligned with the modified ESG Roadmap
- Sustenance audits have been completed across all sites for ISO 50001:2018, ISO 14001:2015 and ISO 45001:2018
- Strengthening of the ESG Roadmap and ISO management systems has enabled better control over energy consumption, water consumption, waste generation and safety incidents



HUMAN CAPITAL

Talent that enables our advance

We are building an agile and future-ready workforce through focused investments in employee wellbeing, digital skilling, leadership development, diversity and a strong culture of care. This approach supports personal growth and business transformation, while aligning our people practices with our broader ESG commitments and long-term organizational priorities.



Material topics linked

M2 M5 M7 M14

Risks Linked

R6

UN SDGs Linked

Employee engagement and wellbeing

We strive to create a workplace where employees feel connected, supported and valued. Our engagement approach focuses on participation, open communication, shared purpose and a sense of belonging across teams. At the same time, we continue to strengthen employee wellbeing through initiatives that support physical health, emotional balance, financial security and work-life integration. These efforts reflect our people-first philosophy and help build a culture of care, resilience and mutual respect.

Doubled

Female representation in FY2026 - 3.03% vs 1.53% in FY2023

Talent development

We view continuous learning as essential to personal growth and organizational excellence. Our talent development approach focuses on building technical, behavioral; safety and digital capabilities aligned with evolving business needs. We identify skill requirements, support career progression and provide structured learning opportunities for permanent employees and contract workers. This helps us close competency gaps, prepare our workforce for emerging technologies and strengthen future readiness across the organization.

108

Employees assessed for future leadership roles

Diversity, Equity and Inclusion

We are committed to building a workplace where every individual is respected, empowered and provided equal opportunity to contribute and grow. Our policies, leadership practices, workplace infrastructure and employee initiatives are designed to promote fairness, accessibility and inclusion. Through these efforts, we aim to strengthen organizational agility and create an environment where diverse perspectives can thrive.

Health and safety

Health and safety are fundamental to our operational integrity. Our approach focuses on identifying risks early, strengthening preventive controls and creating a safety-conscious workplace for employees, contractors and partners. We continue to reinforce safety through structured systems, regular training, emergency preparedness, incident learning and workplace health support. This proactive approach helps us protect people and assets while fostering a culture of vigilance, accountability and continuous improvement.

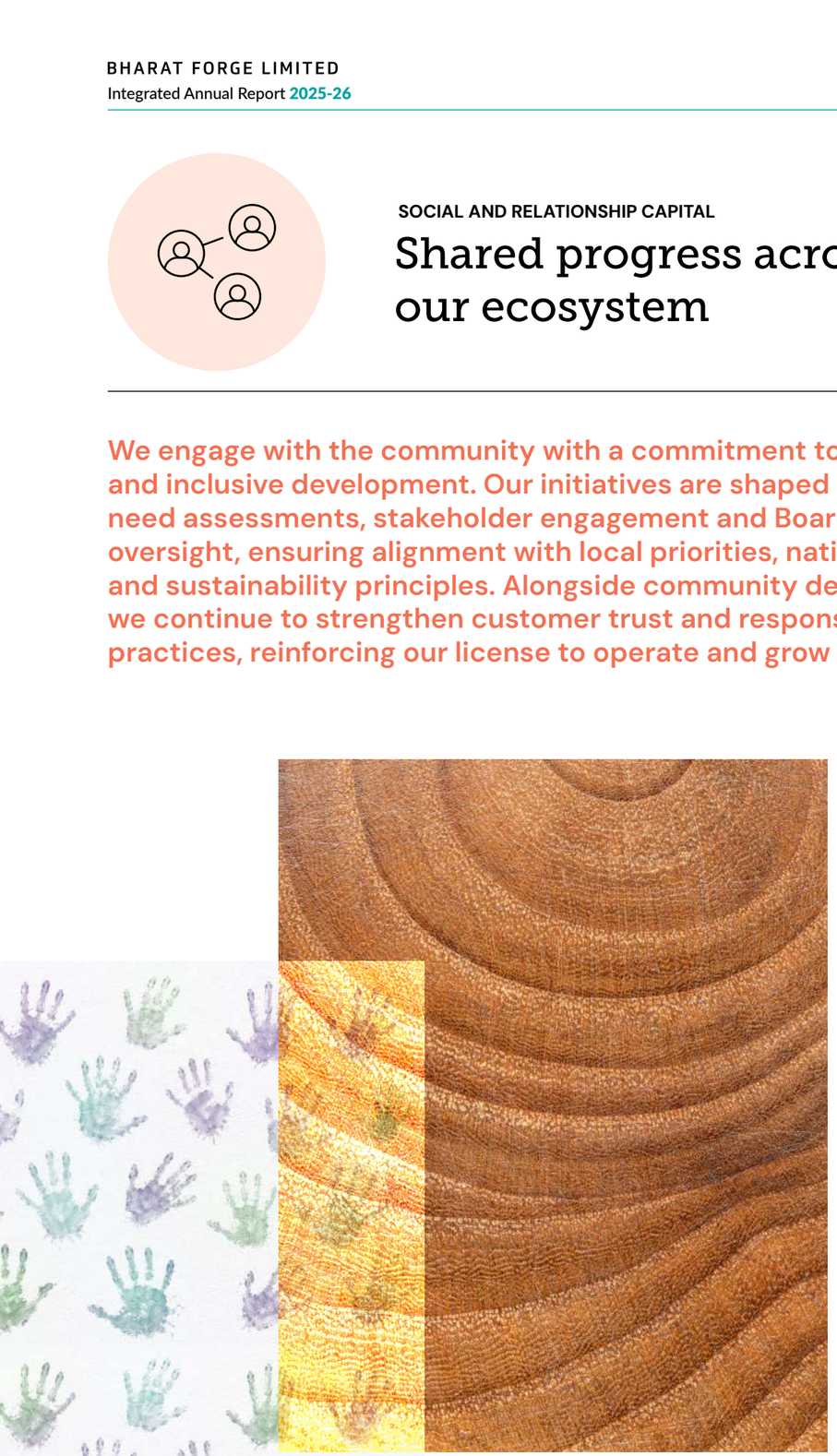
What's next

- Significant focus on employee engagement, upskilling and developing leadership pipeline
- Building a robust pipeline of research and engineering talent to drive product development initiatives

SOCIAL AND RELATIONSHIP CAPITAL

Shared progress across our ecosystem

We engage with the community with a commitment to long-term and inclusive development. Our initiatives are shaped through need assessments, stakeholder engagement and Board-level oversight, ensuring alignment with local priorities, national goals and sustainability principles. Alongside community development, we continue to strengthen customer trust and responsible sourcing practices, reinforcing our license to operate and grow responsibly.



Material topics linked

M1 M10 M11 M13 M14

Risks Linked

R1 R5 R6

UN SDGs Linked



Community focus

Village Development

Our village development approach focuses on building self-sustaining and resilient rural communities. We support interventions that improve basic infrastructure, strengthen water security, promote sanitation, enhance connectivity and enable better access to essential services. These efforts are planned in consultation with local stakeholders and implemented in partnership with Gram Panchayats, government bodies and community institutions. Through this integrated approach, we aim to improve quality of life, support local livelihoods and create long-term social value.

130

Developing villages from income support as well as environmental sustainability perspective

Education

Education remains a key pillar of our community development agenda. Our initiatives are designed to expand access to learning, support academic continuity and encourage holistic growth among children and youth from underserved communities. We work with partner organizations to strengthen foundational learning, support higher education, enable creative and practical exposure and improve student engagement. Our focus is to build confidence, curiosity and capability, helping young learners stay connected to education and prepare for future opportunities.

500

Underprivileged children in Pune provided with nonformal education

Sports

We recognize sports as a powerful platform for building discipline, resilience, confidence and leadership. Our sports-focused initiatives support promising talent by creating access to structured training, mentoring and development support. Through this focus, we aim to help young athletes strengthen their capabilities and pursue excellence with greater confidence. These efforts also reflect our belief that community development must nurture both opportunity and aspiration.

Health

Our health initiatives focus on improving access to preventive and primary healthcare for communities in remote and underserved regions. We work with healthcare partners to support early diagnosis, timely consultations and greater awareness around critical health concerns. These interventions help bridge access gaps and encourage communities to adopt more informed health practices. Through this approach, we aim to strengthen community wellbeing and contribute to a healthier social ecosystem.

8

Telemedicine centres

15,000

Benefited people from remote areas

Skill development

Skill development is central to our commitment to youth empowerment and employability. We support training ecosystems that provide practical exposure to industry-relevant and emerging technologies. Our partnerships with technical institutes and Centres of Excellence are designed to help young people build capabilities aligned with evolving manufacturing, mobility and digital requirements. These programs enhance confidence, improve employability and create a stronger bridge between education and industry needs.

Incubation centre

At Baramati for imparting entrepreneurial skills to rural youth

Customer focus

Customer engagement

We see ourselves as a solutions-driven engineering partner to our customers. Our engagement model is anchored in continuous dialogue, and a understanding of evolving requirements. This helps us identify unmet needs, support new product development and deliver tailored, first-time-right solutions. Bharat Forge successfully navigated tariff-related uncertainties in North America through proactive and sustained customer engagement, reflecting the depth and resilience of our long-standing partnerships. Sustained engagement through digital platforms, business interactions and technical collaboration enables us to build trust, improve delivery and create long-term value for customers.

Responsible sourcing

Responsible sourcing is an important extension of our sustainability commitment. We are embedding ESG considerations into procurement through supplier policies, due diligence, sustainability assessments, human rights checks and a strong code of conduct. Our approach encourages transparency, ethical conduct, environmental responsibility and social compliance across the value chain. We also engage with suppliers on decarbonization, local procurement, responsible material uses and ESG capability-building, helping create a more resilient, inclusive and future-ready supply chain. We continuously increasing the use of recycled raw material in our mix. In FY2026 secondary raw material constituted 36% of the total Raw material used.

36%

Secondary raw material used in Bharat Forge Standalone operations



What's next

- We value the entire ecosystem around us which helps drive our manufacturing operations. Over the next few years, Bharat Forge will progress towards attaining our sustainability goals
- Our targets should be translated in our Carbon footprint coming down significantly by 2030
- We will keep opening new opportunities of better livelihood for the communities around our manufacturing sites as well as for people living in the remote parts of India



GOVERNANCE

Integrity at the center of our advancement

Governance is the foundation that holds together performance, responsibility and trust. It enables us to operate with transparency, uphold ethical standards and remain accountable to our stakeholders. As we advance in a changing business environment, we continue to evolve our governance practices, strengthen compliance and reinforce the principles that have shaped our credibility over the years.

Material topics linked

M14 M9

Risks Linked

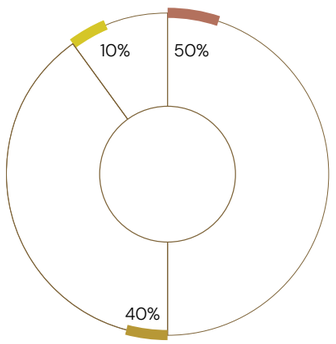
R1 R2 R3 R4 R5 R6 R7

UN SDGs Linked



10
Board of Directors

2
Female Directors



Ethics-led transparency

Our governance framework extends beyond statutory compliance and reflects our commitment to fairness, accountability and ethical conduct. The Board sets the tone through a robust Code of Conduct and well-defined policies covering insider trading, whistleblower protection, anti-bribery, anti-corruption and harassment prevention. We also strengthen stakeholder communication through voluntary Sustainability and Integrated Reports aligned with IIRC and GRI frameworks, along with a dedicated ESG page that supports transparent and timely disclosures.

Responsible data stewardship

We manage data protection and cybersecurity through layered IT controls, early-warning mechanisms and structured response protocols. Regular security audits and compliance assessments help us identify emerging threats and strengthen mitigation measures. Continued enhancement of our data compliance systems reinforces our commitment to safeguarding information, protecting digital assets and upholding responsible digital governance.

Board of Directors



Mr. B. N. Kalyani
Chairman & Managing Director
2 3 5



Mr. Amit B. Kalyani
Vice-Chairman & Joint Managing Director
2 3 5 6



Mr. B. P. Kalyani
Executive Director



Mr. S. E. Tandale
Executive Director



Mr. K. B. S. Anand
Independent Director
1 2



Mr. Dipak B. Mane
Independent Director
4 6



Ms. Rashmi Joshi
Independent Director
1 4 5



Mr. Anand S. Pathak
Independent Director
2 3



Ms. Sonia Singh
Independent Director
3 4 6



Mr. Ashish Bharat Ram
Non-Executive Non-Independent Director
1 4 5

Board Committees

1. Audit Committee
2. CSR Committee
3. Stakeholder Relationship Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee
6. Environment, Social and Governance Committee

C Chairman M Member

RISK MANAGEMENT

Complexity managed with clarity

Our approach enables us to identify emerging uncertainties, assess their potential impact and respond with structured mitigation measures across operations, technology, talent, sustainability and governance. Through disciplined oversight, proactive monitoring and accountability across functions, we aim to build a risk-aware organization that can navigate change with confidence while safeguarding stakeholder trust.



R1

TRADE POLICY RISK

Volatility may affect demand, revenue visibility and business performance across key sectors

Capitals impacted

Material topics mapped

M1 M10 M11 M13

Strategies mapped

S1 S2 S3 S4 S5

Mitigation measures

- Continuously monitor changes in trade policies, customs duties, sanctions and non-tariff regulations
- Strengthen regulatory compliance, product certification and documentation to minimize non-tariff barriers
- Improve operational efficiency and productivity to offset increases in input, logistics and compliance costs
- Diversify sourcing and manufacturing across geographies to reduce dependence on any single trade corridor or market

R2

LOGISTICS & SUPPLY CHAIN RISK

Uncertain shipping and operational disruptions may influence business continuity and structure

Capitals impacted

Material topics mapped

M8 M13

Strategies mapped

S3 S5

Mitigation measures

- Develop alternate logistics arrangements, including air, rail and road transport, for critical or time-sensitive shipments
- Strengthen supply chain visibility through real-time shipment tracking and early-warning system
- Source critical materials from multiple suppliers and geographies to reduce concentration risk
- Periodically assess geopolitical, maritime security and port-related risks across major trade routes
- Establish business continuity and emergency response plans to ensure timely action during prolonged disruptions

R3

FOREIGN EXCHANGE RISK

Currency movements may affect profitability due to the Company's export-linked revenue profile and foreign currency exposure

Capitals impacted

Material topics mapped

M1 M10

Strategies mapped

S2 S4 S5

Mitigation measures

- Rolling forward contracts are used to hedge currency exposure
- Export revenues provide a natural hedge against foreign currency borrowings

R4

TECHNOLOGY RISK

Rapid changes in technology may affect competitiveness, product relevance and operating efficiency across business verticals

Capitals impacted

Material topics mapped

M4 M5 M6 M8 M9 M12

Strategies mapped

S2 S3 S6

Mitigation measures

- Early investments in E-mobility and lightweighting technologies
- Strong in-house technology capabilities in Defense and Aerospace
- Adoption of IIoT, Industry 4.0, digital thread, RPA and advanced data analytics
- Scalable deployment of SAP ERP and automation tools to strengthen digital-readiness

R5

EQUIPMENT RISK

Failure to meet equipment performance may lead to customer dissatisfaction and business loss

Capitals impacted

Material topics mapped

M1 M8 M13

Strategies mapped

S2 S3 S5

Mitigation measures

- Conduct preventive and predictive maintenance through technology-enabled monitoring systems
- Provide regular technical and safety training to operators and maintenance personnel
- Monitor equipment health through real-time data, sensors and early-warning systems
- Track equipment availability, downtime and maintenance effectiveness through defined performance indicators

R6

HUMAN CAPITAL RISK

Gaps in attracting, developing or retaining skilled talent may affect innovation, operations and future growth readiness

Capitals impacted

Material topics mapped

M5 M7 M14

Strategies mapped

S2 S3 S6

Mitigation measures

- Meritocratic and employee-centric culture supported by structured career development
- Regular training across health, safety, engagement and future-ready capabilities
- Continued focus on talent acquisition and performance-linked recognition

R7

CYBERSECURITY RISK

Increased digitalization may heighten exposure to cyber threats, data breaches and technology-led business disruptions

Capitals impacted

Material topics mapped

M6 M9 M12 M14

Strategies mapped

S5 S6

Mitigation measures

- ISO 27001:2022-compliant cybersecurity framework
- Real-time threat detection through next-generation tools and multi-layered security
- Periodic third-party validations and VPAT assessments
- Continuous employee awareness and cybersecurity training programmes

R8

OPERATIONAL SAFETY RISK

Increased digitalization may heighten exposure to cyber threats, data breaches and technology-led business disruptions

Capitals impacted

Material topics mapped

M1 M2 M7

Strategies mapped

S5

Mitigation measures

- Conduct periodic safety audits, hazard identification and risk assessments.
- Provide regular safety training, toolbox talks and emergency-response drills for employees and contract workers
- Ensure strict adherence to standard operating procedures and permit-to-work systems
- Maintain emergency preparedness plans, medical facilities and trained response teams at operating locations
- Conduct regular health check-ups and occupational health surveillance for employees
- Strengthen contractor safety management through qualification, induction, supervision and performance reviews

Corporate information

Bankers

Bank of India
Bank of Baroda
Bank of Maharashtra
Canara Bank
State Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
Axis Bank Ltd.
Citibank N.A.
Standard Chartered Bank
Credit Agricole CIB
HSBC Ltd.
JP Morgan Chase Bank N.A.
Deutsche Bank AG
Kotak Mahindra Bank Ltd
EXIM Bank of India

Statutory Auditors

BSR & Co LLP
Chartered Accountants

Chief Financial Officer

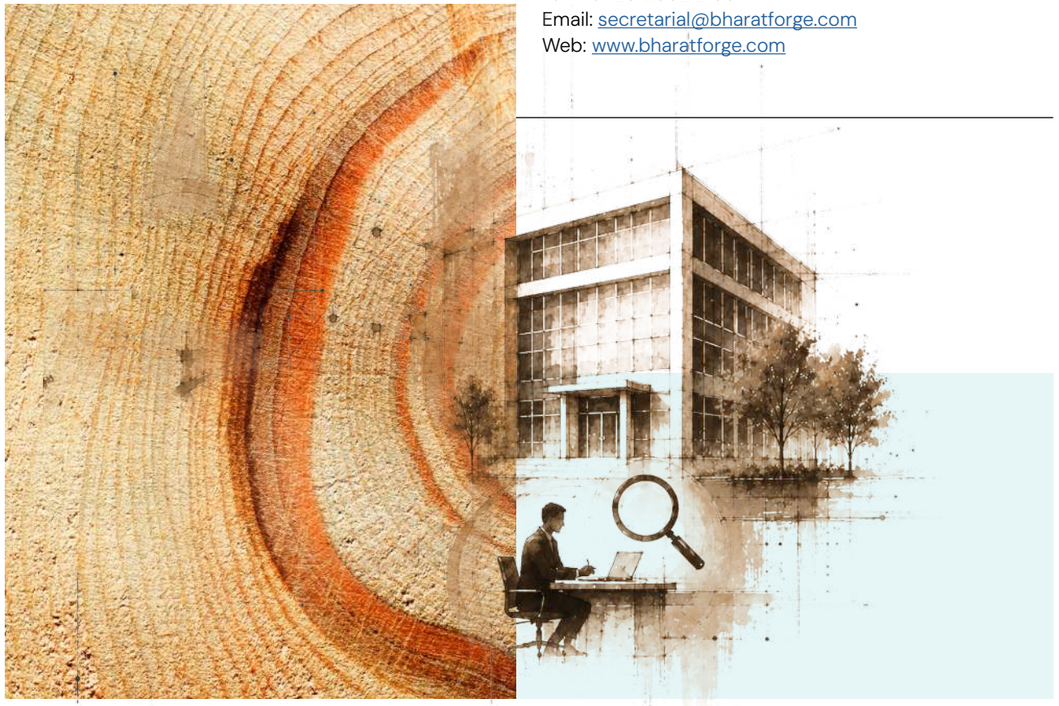
Mr. Kedar Dixit

Company Secretary

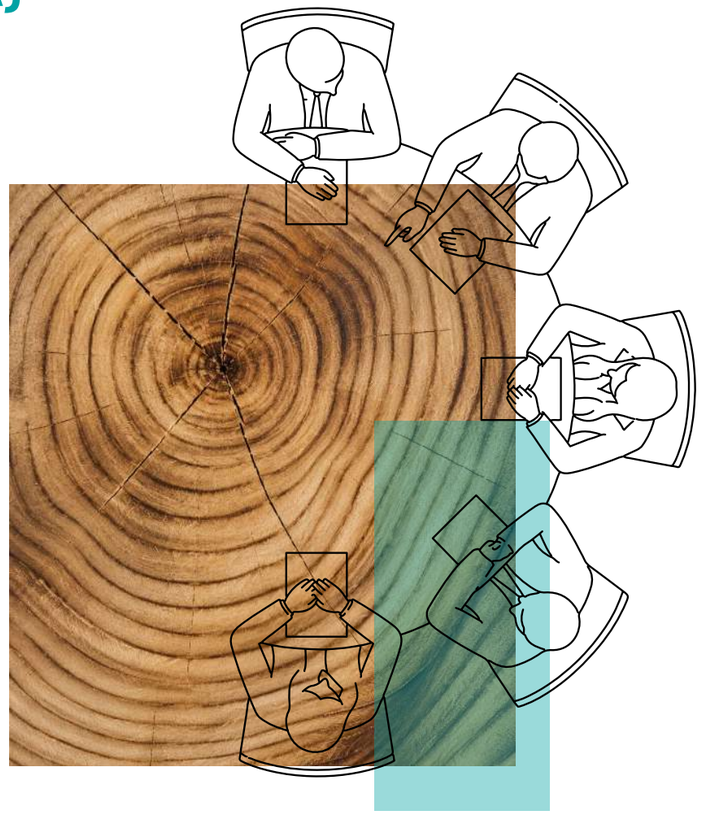
Ms. Tejaswini Chaudhari

Registered Office

CIN: L25209PN1961PLC012046
Bharat Forge Limited
Mundhwa, Pune Cantonment,
Pune - 411 036, Maharashtra, India.
Phone: +91 20 6704 2777 / 2476
Fax: +91 20 2682 2163
Email: secretarial@bharatforge.com
Web: www.bharatforge.com



Management Discussion & Analysis (MD&A)



ECONOMIC REVIEW

Global Economy

The global economy faced a challenging environment through 2025 and early 2026, shaped by geopolitical tensions and trade policy uncertainties. Ongoing conflicts and instability in key regions, including the Middle East, disrupted global energy markets and supply chains. At the same time, rising protectionist measures, particularly tariff actions in the United States (US), reshaped global trade dynamics. Towards the latter half of 2025, the global environment showed signs of stabilization, with major economies initiating negotiations and policy measures to ease trade tensions. While these steps provided near-term relief, structural challenges and geoeconomic fragmentation continue to influence the global economic outlook.

Outlook

The IMF projects global growth to remain stable at 3.1% in CY 2026 and 3.2% in CY 2027, amidst persistent geopolitical tensions, shifting trade dynamics, and relatively softer demand conditions. While inflationary pressures are easing across several major economies, higher interest rates and tighter financial conditions continue to weigh on consumption and investment activity. As economies adapt to evolving trade policies and tariff structures, policy uncertainty is likely to remain elevated, potentially impacting investment and trade flows. Nevertheless, sustained investments in artificial intelligence, digitization, and advanced technologies are expected to support productivity and global economic growth.

The IMF projects global growth to remain stable at 3.1% in CY 2026 and 3.2% in CY 2027, amidst persistent geopolitical tensions, shifting trade dynamics, and relatively softer demand conditions.

The Middle East conflict has contributed to increased market volatility, currency pressures in emerging economies, and renewed concerns around inflation, raising the prospect of tighter monetary conditions and weaker growth.

(Source: IMF World Economic Outlook April 2026)

Indian Economy

Despite global macroeconomic instability, India continues to stand out as the world's fastest growing major economy. India's real GDP growth was at 7.7% in FY2026. Growth is being driven by robust domestic consumption, sustained infrastructure investments, digital transformation, easing inflation, and a continued push towards manufacturing-led expansion. Government initiatives, such as Make in India and Production Linked Incentive (PLI) schemes, have strengthened manufacturing capabilities and self-reliance.

Outlook

India's GDP growth is projected at 6.8%–7.2% for FY2027, continuing to outpace most major economies. Key drivers include resilient private consumption, recovery in private investment, and steady export momentum. The Union Budget 2026–27 reinforces this outlook with a strong focus on public investment, increasing capital expenditure to a record ₹12.2 lakh crore, a nearly 9% rise over the previous year. Strategic allocations towards infrastructure development are expected to accelerate economic activity and advance the government's 'Viksit Bharat' vision. However, external headwinds such as global trade protectionism, rising geopolitical tensions, inflationary conditions due to supply chain disruptions, financial market volatility and potential of slower growth in public capex may pose downside risks to the growth outlook.

(Source: Union Budget 2026-27)

BUSINESS ENVIRONMENT

Automobile Business

Global Automotive Industry

Overview

The global automotive industry maintained steady growth in CY2025. According to S&P Global Mobility estimates, global light vehicle sales increased to 91.7 million units in CY2025 from 88.2 million units in CY2024, reflecting a 4% growth. The European automotive market recorded modest growth, with new car registrations in the European Union rising by 1.8% in CY2025. Growth in the region was supported by continued electrification, with battery-electric vehicles (BEVs) accounting for 17% of total sales, driven by new launches and improving price dynamics. However, profitability remains under pressure due to a shift towards lower-margin mass-market vehicles, rising competition, and restructuring costs.

The United States automotive market demonstrated stable growth, with light vehicle sales reaching 16.36 million units in CY2025, up 2.3% from CY2024. However, demand is expected to soften to 15.9 million units in CY2026 due to affordability concerns, high vehicle prices, and policy uncertainties, including evolving trade and tariff measures.

Outlook

The global automotive industry is expected to witness stable demand in CY2026, with light vehicle sales projected at around 91.8 million units. This reflects a mix of market drivers, including ongoing tariff impacts, supply chain uncertainties, high interest rates, and uneven adoption of electric vehicles across regions. Geopolitical tensions and instability in West Asia may impact the industry by disrupting supply chains, increasing shipping costs, and reducing the availability of key inputs such as petrochemicals and aluminum scrap. Elevated energy prices, including oil and liquefied natural gas (LNG), could increase manufacturing costs, thereby affecting production and vehicle affordability. However, the transition to electrification remains strong, with electrified vehicles, including battery electric vehicles (BEVs), plug-in hybrids, and range-extended EVs, projected to account for nearly 30% of global vehicle sales by CY2026.

(Source: S&P Global)

COMPANY REVIEW OF THE EXPORTS AUTO MARKET

Commercial Vehicles (CV)

The Commercial vehicle export business was impacted by the de-stocking in the North American truck market. For the Full Year revenue at ₹1,324 crore was lower 34% YoY. This performance should be viewed in light of a 50% YoY drop in North American CV revenue. Traditionally CV exports segment has focused on Class 7 & 8 trucks in US and the HCV segment in Europe. Our CV exports story was always about increasing market share as OEMs prioritized reliable suppliers. Our portfolio prioritizes safety critical components across Engines, Driveline and Transmission systems. The ability to deliver the goods with desired quality at the first instance and focus on high value components has made us a critical supplier to most of our OEM customers.

These moats have ensured long-lasting engagements with all major players in the markets we operate in. As a result the current tariff regime in the US has resulted in no business disruptions as well as no impact on market share for Bharat Forge.

Passenger Vehicles (PV)

In a year where the US introduced tariffs on all forms of components in the automobile basket, our PV exports showed remarkable resilience. Despite looming inflationary pressures and some demand headwinds, our PV exports registered 3% YoY growth to reach ₹1,145 crore. The North American exports were squeezed by the trade tariffs, however, strong growth in Central and South America negated the headwinds from the US market. In addition to market diversification, this growth was driven by introduction of new parts, expanding market share and entry into new markets beyond the Americas. In the medium term, our focus is geared towards expanding market share, introducing new parts and prioritizing markets where the electrification trend is less relevant due to inadequate charging infrastructure or affordability challenges. We aim to be the last man standing for supply of ICE components to all our customers.

Indian Automotive Industry

Overview

The Indian automotive industry demonstrated strong volume growth of 11.8% in FY2026, reinforcing its position as the world's third-largest automobile market. Growth was driven by robust domestic demand, rising exports, policy-led electrification, and a well-established manufacturing ecosystem. Exports also recorded healthy growth, driven by buoyant demand for cars, two-wheelers and commercial vehicles across Africa, Latin America, the Middle-East and ASEAN regions.

The passenger vehicle (PV) segment maintained a positive trajectory, with 4.6 million units sold in FY2026 compared to 4.3 million units in FY2025. Utility vehicles continue to outperform other categories, aided by changing consumer preferences and new model launches. The share of alternative powertrains, including CNG, hybrids, and electric vehicles, is rising steadily due to regulatory push and evolving customer preferences.

Commercial vehicles (CVs) recorded steady growth, led by improved freight activity and favorable policy measures, including the reduction in GST rates. Demand remained strong for higher tonnage vehicles, driven by enhanced road infrastructure and logistics efficiency. Continued thrust on infrastructure development, easing inflationary pressures, and supportive fiscal measures are expected to sustain automotive demand. As global mobility shifts towards safer and sustainable solutions, India's automotive industry is investing in innovative, future-ready technologies, expanding its role in the nation's economic growth.

Outlook

The Indian automotive industry is expected to witness moderate growth of 3–6% in FY2027, reflecting a normalization in demand across segments. Growth will be supported by steady traction in passenger vehicles, recovery in two-wheelers, and stable demand in commercial vehicles, driven by overall economic activity, industrial expansion, and infrastructure-led development. However, a sharp rise in diesel price might adversely impact the CV growth outlook.

The shift towards alternative fuel vehicles, including CNG, hybrids, and electric vehicles, is expected to continue, supported by regulatory measures and evolving consumer preferences. Premiumization trends are likely to sustain momentum, while entry-level segments may remain subdued. Electrification will continue to gain traction, particularly in two- and three-wheelers, with gradual adoption in passenger vehicles.

The government's continued focus on infrastructure development, manufacturing, and policy support is expected to remain a key growth enabler. Increased allocation of ₹12.2 lakh crore in the Union Budget 2026–27, particularly towards roads, logistics, transportation, and improving rural conditions, is anticipated to support demand and strengthen the industry outlook.

Aligned with the 'Viksit Bharat' vision and building on ongoing reforms, the Union Budget 2026–27 outlines measures to propel India's automotive sector. The government has allocated ₹5,939.87 crore under the PLI scheme for automobiles and auto components, supporting localization and the development of advanced technologies. The budget also emphasizes decarbonization by promoting domestic manufacturing of EV components and expanding green mobility infrastructure.

(Source: ICRA, Union Budget 2026-27)

The Indian automotive industry is expected to witness moderate growth of 3–6% in FY2027, reflecting a normalization in demand across segments.



Company Review of the Domestic Auto Market

Commercial Vehicles

Our Domestic CV business had positive year driven by the GST rate rationalization. FY2026 revenue for the Domestic CV business was ₹1,036 crore up 8% YoY. With the Total cost of ownership (TCO) seeing a tangible reduction, the savings were ploughed back by the fleet operators into buying new trucks. General improvement in Indian road infrastructure, good growth in the manufacturing sector and demand side factors have positively impacted Commercial truck volumes. In addition to volumes, average truck sizes have increased with Tractor Trailers and Tippers gaining market driven by higher construction activity and goods transport needs. As a result, the total tonnage carried by the trucking industry has seen an exponential jump since FY2022. These trends are an encouraging sign for suppliers like us as OEMs invest in building more bigger and sophisticated platforms.

Passenger Vehicles

The Domestic Passenger vehicles business recorded another strong year registering revenue of ₹397 crore up 10% YoY. As vehicle ownership costs saw meaningful reduction post the GST cuts consumers flocked to purchase new vehicles. UVs continued to dominate the market, SUVs now constituted almost 2/3rd of the Passenger car market. Driven by higher disposable incomes and premium riding experience consumer preference has gravitated to bigger and more safer cars. This trend has benefited suppliers like us as consumers prioritize safety.

Industrial Business

The government's continued emphasis on strengthening physical and digital infrastructure presents significant opportunities for the industrial sector. With an increased capital outlay of ₹12.2 lakh crore in FY2027, infrastructure development is expected to sustain momentum, acting as a catalyst for economic activity. Growth in the construction sector is driven by accelerated project execution, urbanization, and investments across housing, transportation, and core industries. The sector is expected to grow at 8–10% in FY2027, supported by a robust order pipeline and favorable policy reforms. Continued progress in logistics, railways, and road infrastructure further enhances demand visibility for industrial segments, reinforcing the sector's contribution to India's economic growth.

(Source: ICRA)

Company Review of the Industrial Segment

Over the years, Bharat Forge's Industrial business has grown through diversification amongst end-user industries. FY2026 Industrial revenue at ₹4,064 crore was up 4% YoY across Domestic and exports. The export revenue at ₹1,541 crore was marginally lower despite the tariff-related headwinds in the US. The diversity of our customer base and geographic presence enables us to effectively offset sector- and country-specific volatilities.

FY2026 saw us take small steps towards supply of Forged and machined components for Semiconductor manufacturing equipment. We expect this segment to show positive momentum given the current boom in Semiconductor manufacturing.

Bharat Forge's Industrial business has been a major beneficiary of the Artificial Intelligence led data centre boom. The mushrooming of data centres has led to an exponential rise in demand for Backup/ Stand by power. Bharat Forge is a major engine components supplier to OEMs that build these back-up power plants. The tremendous tailwinds generated by the AI-led demand will translate into strong growth for this vertical. In addition to data centres, we supply engine, chassis and transmission components to a large subset of industries including oil & gas, sugar, cement, steel and construction & mining. As construction activity gains momentum and private capex grows, we expect the industrials segment (ex-Defense) to post strong performance.

FY2026 saw us take small steps towards supply of Forged and machined components for Semiconductor manufacturing equipment. We expect this segment to show positive momentum given the current boom in Semiconductor manufacturing.

JS Auto Cast

Amidst the gloom in the export market JS Autocast ("JSA")recorded positive revenue and EBITDA growth. FY2026 revenue was ₹757 crore while EBITDA was ₹106 crore resulting in EBITDA margin of 14%. JS Autocast has cemented its position in the export market as a reliable supplier for critical and complex castings. With continuous focus on New product development and increasing the addressable market, JSA has diversified beyond Wind Energy into Hydraulics, Construction & Mining and Automobiles.

In addition to its competitive strengths, JS AutoCast benefits from industry tailwinds as OEMs increasingly rely on India-based castings suppliers for sourcing critical components. With energy and manpower inflation driving up costs across Europe, OEMs are looking at strategically cultivating Casting suppliers from India.

₹757 crore
Revenue

14%
EBITDA margin

Overseas Business

The overseas manufacturing operations had a mixed year – operational performance improved slightly driven by internal efficiency measures and stable utilization rates. Europe recorded sales of ₹3,865 crore and EBITDA of ₹151 crore translating in EBITDA margin of 3.9%. US Operations had revenue of ₹1,533 crore and EBITDA of ₹54 crore, resulting in EBITDA margin of 3.5%. Our Aluminum operations continue to gradually improve in performance. Barring any adverse trade policy changes, operational performance and utilization rates will drive EBITDA profitability.

Amidst the difficult market conditions in Europe, we are in the process of finalizing the restructuring of Bharat Forge CDP. We aim to complete the entire process by the end of CY2027. In addition to their automotive work, the company is exploring the use of its remaining manufacturing assets in Europe for the Industrial business as well.

In ₹ crore

Particulars	FY2026	FY2025
Steel	3,041	2,704
Aluminum	2,357	2,083
Total	**5,398**	**4,787**

Defense Business

India's defense sector has made rapid advancements in recent years, driven by sustained focus on self-reliance and indigenization. The expansion of domestic manufacturing under the "Make in India" initiative, complemented by structural reforms and private sector participation, has strengthened the ecosystem. This shift towards indigenous production aligns with the government's Aatmanirbhar Bharat vision, positioning India as an emerging hub for advanced defense technologies and equipment. The Union Budget 2026-27 has continued to prioritize defense modernization and localization, allocating ₹7.85 lakh crore to the Ministry of Defense, marking a 15.19% increase over FY2026, with a major focus on military modernization.

India is steadily strengthening its global defense footprint, with defense exports surging from ₹23,622 crore in FY2025 to a record ₹38,424 crore in FY2026. As the nation progresses towards its targets of ₹3 lakh crore in defense production and ₹50,000 crore in exports by 2029, continued emphasis on innovation, strategic partnerships, and domestic capability building is expected to position the country as a preferred global defense manufacturing hub.

(Source: PIB)

Our Defense business recorded a strong year, among the major achievements was the signing of the prestigious CQB Carbine contract for supply of more than 255,000 units to the Indian Armed Forces. The CQB carbines along with the ATAGS contract secure a stable revenue pipeline for our business over the next 3-4 years.

In addition to our Land-based platforms and vehicles portfolio, we are in the process of significantly augmenting our Naval/Underwater solutions bouquet. Our subsidiary Kalyani Strategic Systems (KSSL) received its 1st major order for supply of Unmanned Underwater Vehicles to the Indian Navy. Being an Emergency procurement order these deliveries will happen within 12 months from the date of signing of the contract.

We are developing a range of products including Naval guns, Transmission, Steering systems for ships, Propulsion components for Ship engines and Underwater modules for crew training in Anti-Submarine warfare. The engine and Driveline systems are dual-use with potential for non-Military sales. During the year, we co-developed the Vikram VT21, an 8x8 armored platform with a 30mm turret capable of firing at 550 rounds per minute. Going ahead, we expect to build more platforms/products in Defense across Land/ Naval and Air.

With the scaling up of technology, unmanned platforms have become an indispensable domain in warfare. We aim to capture this shift through niche products. We are developing an Unmanned Vehicles portfolio for both Air and the Naval domain.

Our stepdown subsidiary Agneyastra Energetics, has acquired land for our Propellant and Explosive manufacturing facility in Andhra Pradesh. Through this initiative, we aim to capture significant value across the defense explosives supply chain.

Our 100% owned subsidiary – Kalyani Strategic Systems recorded FY2026 sales of ₹1,560 crore, this was flat YoY. The strategic priorities outlined above have the potential to expand the product portfolio. These initiatives will open up access to new programs and expand the export footprint helping build a robust and scalable revenue pipeline over the medium to long term.

Aerospace Business

FY2026 was a year of strong and sustained growth for the Aerospace business, marked by significant advancements in customer acquisition, product development, and technological innovation, further strengthening the division's market positioning and execution capabilities. The business maintained a clear strategic emphasis on aerostructures, landing gear systems, critical engine components, and unmanned aerial vehicles (UAVs), reinforcing its role as a key contributor to advanced aerospace and defense solutions globally.

The Company expanded its global footprint by securing new business from both existing and new customers like Pratt and Whitney Canada, Liebherr Aerospace, Rolls Royce reflecting increasing trust from leading OEMs in its integrated capabilities. We recently inaugurated our new Landing Gear machining facility in Pune, similarly our Ring mill at Baramati is expected to get commissioned by H1CY2027. Together these manufacturing assets should enable a shift up in the value chain towards sub-assemblies and systems.

We also progressed successfully by developing a Titanium grade Landing Gear for a UAV platform of a North American OEM. The UAV segment gained strong momentum with contract wins and the development of ISR and loitering munition platforms tailored to Indian conditions.

The Company continued to demonstrate excellence in quality and innovation, achieving multiple NADCAP reaccreditations with zero non-conformities, along with progress in AS9100D and Semilac certifications. Digital and Industry 4.0 initiatives, coupled with expanded MRO capabilities, are driving improved efficiency and lifecycle management.

Overall, FY2026 marked a pivotal phase in the Aerospace business's growth journey, with a robust pipeline, continued investments, and a strong innovation focus, the division is well-positioned to drive sustainable growth.

K Drive Mobility

The recent addition of K Drive Mobility in the business mix has opened up the Axle design and assembly segment for us. K Drive has been consolidated as a 100% subsidiary of Bharat Forge w.e.f July 1, 2025 with 9-month revenue of ₹958 crore and EBITDA at ₹42 crore. K Drive's proprietary technology and experienced human resource form the back bone of its axle design capability. Currently Medium & Heavy Commercial vehicles constitute bulk of the company's sales. However, recent order wins for E-LCV platforms, SUVs and Buses will diversify the business mix. The diversification across CVs and Passenger cars will translate into material improvements in financial metrics in the next 2-3 years. In the longer run we aim to supply fully assembled axles to all forms of mobility supported by in-house technology.

E-Mobility Business

The E-mobility vertical faced a tough year as lower EV adoption globally ex of China dramatically shaped the demand trajectory. OEMs ex of China took significant write-downs on their EV investments and scaled down their growth ambitions. Our business went through a similar adjustment. We are currently re-evaluating our EV positioning and aim to find a suitable sweet spot to prosper and thrive in the market place.

FINANCIAL REVIEW

STANDALONE

Analysis of Standalone Profit and Loss Statement

In ₹ million

Particulars	FY2026	FY2025	% Change
Total Revenue	83,956.78	88,437.30	-5.07%
Raw Material	32,456.49	35,921.66	
Manufacturing Expenses	13,055.90	12,140.78	
Manpower Cost	6,760.05	6,366.06	
Other Expenditure	8,562.89	8,771.90	
Total Expenditure	**60,835.33**	**63,200.40**	**-3.74%**
EBITDA	**23,121.45**	**25,236.90**	**-8.38%**
EBITDA (%)	**27.54%**	**28.54%**	
Depreciation	4,480.49	4,403.69	
Interest	1,821.74	2,498.14	
Other Income	1,444.57	1,588.53	
PBT	18,263.79	19,923.60	-8.33%
Exchange Gain/ (Loss)	-55.69	-202.82	
PBT	18,208.10	19,720.78	-7.67%
Exceptional Items Gain/ (Loss)	-5,495.85	-1,533.14	
PBT	12,712.25	18,187.64	
Taxation	4,524.84	4,965.13	
PAT	**8,187.41**	**13,222.51**	**-38.08%**

CONSOLIDATED

Analysis of Consolidated Profit and Loss Statement

In ₹ million

Particulars	FY2026	FY2025	% Change
Total Revenue	168,116.53	151,228.03	11.17%
Raw Material	75,895.81	65,943.40	
Manufacturing Expenses	22,084.58	20,924.59	
Manpower Cost	21,034.18	18,698.95	
Other Expenditure	19,993.59	18,529.90	
Total Expenditure	**139,008.16**	**124,096.84**	**12.02%**
EBITDA	**29,108.37**	**27,131.19**	**7.29%**
EBITDA (%)	**17.31%**	**17.94%**	
Depreciation	9,709.24	8,736.19	
Interest	3,233.46	4,174.93	
Other Income	1,986.83	2,137.64	
PBT	18,152.50	16,357.71	10.97%
Exchange Gain/ (Loss)	158.36	-191.74	
PBT	18,310.86	16,165.97	13.27%
Exceptional Items	-1,544.43	-1,570.65	
Share of (Loss)/Profit of Associates and Joint Ventures	-94.71	-37.07	
PBT	16,671.72	14,558.25	
Taxation	5,777.74	5,425.50	
PAT	**10,893.98**	**9,132.75**	**19.28%**

HUMAN RESOURCES

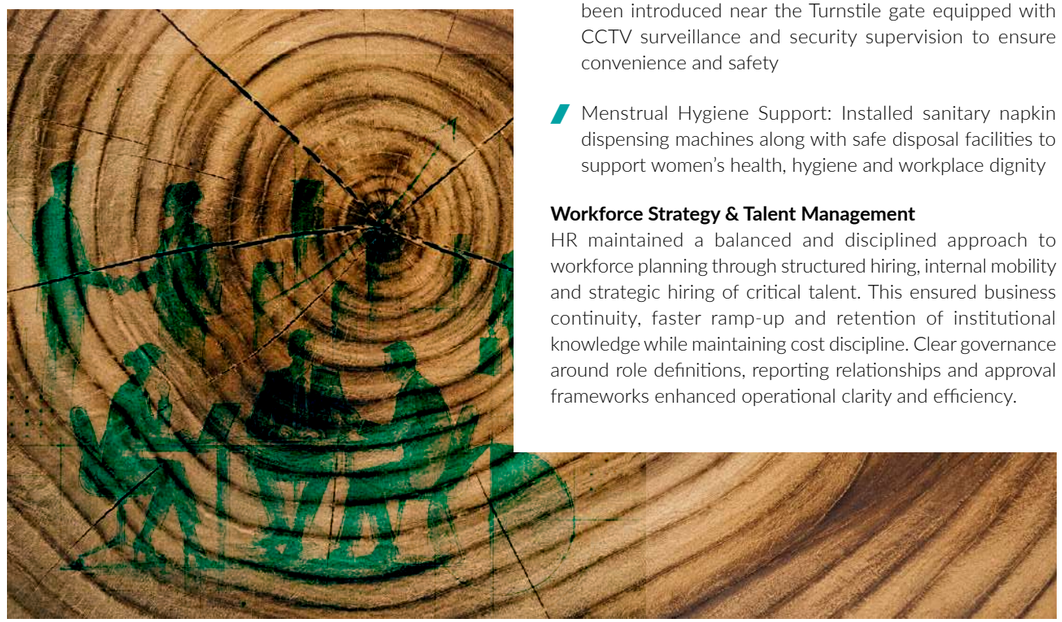
During FY2026, Human Resources function at Bharat Forge Limited played a strategic role in enabling business resilience, strengthening talent continuity and driving a high performance, compliant and engaged workplace aligned with organizational priorities. Major focus areas include:

Performance Management
Performance Management System (PMS) was strengthened through continuous feedback, structured calibration and data driven insights ensuring fairness and consistency across performance evaluations. Enhanced alignment between performance outcomes, rewards and development opportunities to drive accountability and merit-based growth.

Capability Building & Leadership Development
Significant progress was made in leadership and talent development:

- Leadership competency assessments conducted for 15 members of Operations Leadership Team
- 108 employees assessed through AI-enabled future Talent identification across eight leadership competencies
- Individual Development Plans (IDPs) were initiated for identified critical talent

These initiatives strengthened succession pipelines and leadership-readiness.



Employee Engagement
Employee engagement initiatives Cultural Festival, Family Day, Sports events (cycling, chess, cricket, carrom), medical checkups and blood donation drives - enhanced collaboration, well-being and morale

Industrial Relations
The organization maintained a stable and harmonious industrial relations environment with:

- Zero production loss due to IR issues
- Successful wage settlement at Baramati and Pune with Labour union for 2025-28 period

This reflects growing trust, collaboration and maturity in workforce relations.

Diversity, Equity & Inclusion (DEI)
Focused efforts were made to enhance inclusion and workplace safety:

- Doubled the female representation in our workforce from 1.53% in FY2023 to 3.03% in FY2026
- On site Healthcare Support: A female nurse has been appointed at the Mundhwa OHC to provide medical assistance to employees
- Enhanced Safety for Women Employees: A dedicated, well-secured two-wheeler parking area for women has been introduced near the Turnstile gate equipped with CCTV surveillance and security supervision to ensure convenience and safety
- Menstrual Hygiene Support: Installed sanitary napkin dispensing machines along with safe disposal facilities to support women's health, hygiene and workplace dignity

Workforce Strategy & Talent Management
HR maintained a balanced and disciplined approach to workforce planning through structured hiring, internal mobility and strategic hiring of critical talent. This ensured business continuity, faster ramp-up and retention of institutional knowledge while maintaining cost discipline. Clear governance around role definitions, reporting relationships and approval frameworks enhanced operational clarity and efficiency.

INFORMATION TECHNOLOGY

FY2026 in many ways brought a lot of challenges with it; not every challenge had a solution rooted in technology, however, technology offered deeper insights within the operations to highlight opportunities for optimization/simplification. During the year, we looked at critical areas where AI/Robotics could make a big impact – 4 themes emerged –

(a) product inspection

(b) material movement & material handling

(c) production planning

(d) near real-time insights from manufacturing process for better control

Pilots were successful in each of the above areas and we are gradually moving towards wider deployments with targeted gains in product quality, manufacturing cycle time, preventive actions to improve equipment availability among others.

Auto Components business – Key interventions included

(a) cost estimation tool for RFQ responses

(b) contribution analysis at line and shift level

(c) granular and real-time manufacturing cost breakdown

(d) planning for ERP modernization

(e) Product Lifecycle Management system deployment

(f) AI driven process design for new auto components

Defense business – Primary focus was on PLM adoption and effective utilization for new product/platform development. At the same time integration of the PLM solution with AR/VR platform for customer experience, maintenance training, assembly instructions and overall products visualization was implemented.

Overseas subsidiaries – BI/Reporting focus to replicate capabilities that are available in Indian plants. Continued deployment of IoT and associated preventive alerting and driving equipment availability.

AI adoption – Considerable effort was spent on training our employees on how to use AI with over 200 employees given basic training to use various LLMs. Microsoft Copilot was adopted by 125 people along with extensive training from Microsoft for effective utilization. Multiple LLM models were exposed via secure intranet portal for all employee consumptions, where we see several million tokens getting consumed daily.

Various initiatives such as vision models for product inspection, material pick & place, health and safety are being deployed. Autonomous forklifts are being experimented on the shopfloor with homegrown software, sensor integration with quadruped robots for machine to machine connectivity are being undertaken to further the theme of "Lights out" factory. This concept will demonstrate tangible results in FY2027.

Information Security – Full scale Disaster Recovery capability that also services business continuity during a potential ransomware attack has been established and tested. Effective data leakage preventions steps as well as the dark web monitoring has commenced for additional vigilance against any threats. Overall information security posture has been substantially strengthened across all the subsidiaries/entities with special focus on the Defense business.

Going forward AI and Robotics will continue to play a pivotal role in accomplishing "Lights Out" factory along with maintenance of robust security posture.



CORPORATE SOCIAL RESPONSIBILITY

Over the last 12 years, Bharat Forge has contributed to the development of villages with the philosophy of giving back to the society and inclusion of people from villages in the process of development of our nation.

Bharat Forge Limited being catalyst in the process of Village development and other areas like, Education, Health, Skill Development, Women empowerment and Sport could impact / reach out to more than 333,959 lives positively.

- While we are involved in the development of 130 villages on 5 key indicators, our long-term objective is to improve the income level of the rural population and transform these villages into Green villages by working on environment sustainability as well as social factors. For the year FY2026, we applied for certification for Green villages with IGBC (Indian Green Building Council) of CII. We received 1 platinum for Wagholi village from Ahilyanagar district and gold rating for 5 villages - Jaipur, Jaygoan, Ekambe, Shirdhone and Belewadi from Satara district in Maharashtra.

- To reduce the impact of greenhouse emissions and to make some of the villages green, various initiatives were undertaken by Bharat Forge. We planted more than 1.35 lakh trees, conserved 3,701 TCM of water through different water harvesting structures, installed 1,835 KW of renewable energy through solar in villages and also organized the 'Swachha Sundar Gaon Competition' to make the villages clean. Along with this, we are also striving to make few urban societies as Green Societies and have installed 2,280 composter planters to convert their kitchen and garden waste into manure.

Under Skill Development Initiatives

a) We have initiated Skill development efforts in North Eastern region in the states of Nagaland and Mizoram. In Nagaland, at Dimapur we have set up the centre of excellence with the new-edge technologies like drone technology, 3D printing, smart factory, PLC programming, electrical and drone simulations etc. At Dimapur, we have set up the skills lab in two government schools, where students are getting the technical orientation from school days itself.

b) At Mizoram, one centre of excellence at ITI, Aizawl and Skills lab at government school is under process where new-age technology skills is going to be imparted to the students.

c) We strive towards imparting skills to the rural youth for building an entrepreneurial spirit. In this regard, we have setup a Centre of Excellence (CoE) and Incubation Centre at Vidya Pratishthan in Baramati, Maharashtra. New edge technology skills like Robotics, IoT (Internet of Things), AIML (Artificial intelligence and machine learning), Data Analytics etc., will be imparted to the students at the CoE. The Incubation Centre will support new initiatives to convert their ideas into reality. The focus of this program is women empowerment where more than 60 % of students are girl students.

d) We are also providing sponsorship & mentorship to 100 girl students from Vidyarthi Sahayak Samiti. They are from rural background, pursuing engineering/diploma. Our employees are taking lead in mentoring them.

e) We have trained 610 farmers through Agriculture Development Trust (ADT) Baramati, for improved technology in agriculture. We are also working with ADT as a technical partner for Tree Plantation project.

f) We are Industry partner with 4 Government Industrial Training Institutes (ITIs) for quality training and infrastructure developments.

Under Health Initiative

i. For the betterment of health of the villagers, we have constructed underground gutters and made the villages clean and hygienic.

ii. We have also conducted the cancer screening camps for 7,122 women in rural areas.

iii. Set up 8 telemedicine centres, thereby ensuring medical services are available at doorstep to 15,000 people from remote areas.

Under Educational Initiative

Educational program focuses on uplifting children from underprivileged background, with focus on infrastructure improvement in government schools

a) We are providing non-formal education to 500 children from slum communities in Pune through Jnana Prabodhini.

b) We have constructed school building and toilets at village Jaypur, Tekavadi, Veer, Ambale, Kodit and Khalad.

- **Under Women empowerment**

  The community development program aims at empowering 350 women of underprivileged sections by providing vocational training, business enterprise support, and other resources to promote entrepreneurship ecosystem

- **Under Sports Initiative** – The sport's focus includes supporting 3 sports talents across the country where the sportsperson are now representing India at International level.

Bharat Forge won the CSR Times Award – 2025 in the Skills Development Category. The recognition was presented by Ms. Jacqueline Mukangira, High Commissioner of the Republic of Rwanda, in the presence of other commissioners from different countries and CSR professionals. The event was graced by Hon. Union Minister for Road & Transport, Shri Nitin Gadkari ji, along with other dignitaries and CSR professionals from across the country.



Read more
about our CSR initiatives on Pg. 62

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Bharat Forge's ESG journey commenced with the establishment of a Board-level ESG Committee in FY2022. Guided by clearly-defined material priorities, the Company has developed a structured ESG roadmap comprising seven strategic objectives and 25 focused action areas. This framework enables systematic identification, assessment and management of ESG-related risks and opportunities, with ongoing oversight from the management to ensure consistent progress.

The Company continues to strengthen its performance across key ESG pillars, including stakeholder engagement, resource efficiency, climate action, responsible supply chain practices, customer-centric sustainability initiatives, risk management and ethical governance. ESG considerations are integrated into strategic decision-making processes, including investments and mergers and acquisitions. Bharat Forge's sustainability disclosures align with globally accepted frameworks, such as the Global Reporting Initiative (GRI). Continuous improvement in ESG ratings underscores the Company's performance and progress towards a resilient and responsible organization.

Read more
about ESG on Pg. 52



RISK MANAGEMENT

The Company has established a structured risk management framework to identify, assess, prioritize, mitigate, and monitor risks. The key risks impacting operations include macroeconomic volatility, foreign exchange exposure, raw material availability, technological disruption, funding, talent availability, and cybersecurity. The risks and mitigation measures are listed below:

- **Trade Policy Risk –** Trade tariffs and non-Tariff barriers can escalate costs of doing business and also alter the competitive advantages for certain geographies or products. Company remains in constant dialogue with its customers to mitigate such policy risks

- **Logistics & Supply chain Risk –** Disruptions of Sea-routes and challenges to navigation in open seas possess Logistics & supply chain risk. While we take adequate Insurance coverage, maintain sufficient inventory at warehouses near customer locations such disruptions can have an impact on business.

- **Cyber Security Risk –** In an inter-connected environment, any breach of secure networks has the potential to impact competitive advantages. Our layered security architecture aims to prevent any compromise of our systems. Our Company has put in place adequate business continuity plans in case of any disruptions.

- **Foreign Exchange Risk –** Significant portion of our revenue is derived from export, we also import some items as part of ongoing operations. These transactions expose us to Foreign exchange risk. A portion of this is mitigated via hedging to ensure minimal Exchange loss.

- **Equipment Risk -** Disruptions in equipment performance affect the Company's ability to meet customer requirements. We engage in periodic trainings for employees, have technology based preventive maintenance checks to mitigate such risks

- **Human Capital Risk -** Shortage of skilled workforce impacts the company's growth plans. Adequate talent retention and capability building policies have been put in a place. We also lay special emphasis on improving employee engagement and provide them with adequate Job rotation opportunities to align employee skill and job requirements.

- **Technology Risk -** There is an increasing need to continuously adapt to evolving technologies to meet changing customer expectations and sustain competitiveness. We invest to stay ahead of time to remain relevant on the technology frontier.

  On the market side, the transition from IC engine to E-mobility on a large scale globally across PV and M&HCV has the potential to materially alter the company's growth ambitions. Our efforts to diversify our mix towards Aerospace, Defense and other Industrial sectors will help mitigate this risk.

- **Operational Safety -** Ensuring employee health and safety across manufacturing facilities remains a key priority.

Read more
on our risks and mitigations on Pg. 68

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a strong internal control framework to ensure that all transactions are duly authorized, recorded, and reported. These systems are designed to safeguard assets, prevent unauthorized use or disposition, and ensure the integrity of financial and operational information. The effectiveness of internal controls is reinforced through a comprehensive internal audit mechanism, regular management oversight, and well-defined policies, processes, and standard operating procedures.



Board's Report

For the year ended March 31, 2026

To the Members,

Your Directors have the pleasure in presenting the 65th (Sixty-Fifth) Integrated Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended March 31, 2026.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company on a standalone and consolidated basis for the Financial Year ended March 31, 2026, as compared with the previous year is summarised below:

In ₹ Million

Particulars	Standalone		Consolidated	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Total Income	**85,401.35**	**90,025.83**	**1,70,103.36**	**153,365.67**
Exports Revenue	**40,114.17**	**47,281.26**	**1,16,423.61**	**115,136.23**
Net Profit				
Profit for the year before Taxation and Exceptional items	**18,208.10**	**19,720.78**	**18,310.86**	**16,165.97**
Share of (loss)/profit of associates and joint ventures	-	-	(94.71)	(37.07)
Add/(Less): Exceptional item	**(5,495.85)**	**(1,533.14)**	**(1,544.43)**	**(1,570.65)**
Provision for Taxation:				
Current Tax	4,728.08	5,122.06	5,606.07	5,848.54
Deferred Tax	(203.24)	(156.93)	171.67	(423.04)
Profit for the year	**8,187.41**	**13,222.51**	**10,893.98**	**9,132.75**
Less: Non-controlling interest	-	-	97.37	(278.78)
Less: Fair value of put option	-	-	294.72	-
Profit for the year attributable to equity holders of the parent	8,187.41	13,222.51	10,501.89	9,411.53
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)	(239.35)	(457.66)	(1,643.48)	(195.83)
Total	**7,948.06**	**12,764.85**	**8,858.41**	**9,215.70**
Balance of Profit from the previous year	81,776.78	73,233.48	62,681.50	57,687.35
Profit available for Appropriation	89,724.84	85,998.33	71,539.91	66,903.05
Appropriations:				
Interim Dividend on Equity Shares	956.18	1,195.22	956.18	1,195.22
Final Dividend on Equity Shares	2,868.53	3,026.33	2,868.53	3,026.33
Surplus retained in the Statement of Profit and Loss	85,900.13	81,776.78	67,715.20	62,681.50

2. DIVIDEND

The Board, in its meeting held on February 12, 2026, declared an interim dividend of ₹ 2 per equity share (i.e. 100%) of the face value of ₹ 2 each, aggregating to ₹ 956.18 million, subject to deduction of income tax at source.

Based on the Company's financial performance, the Directors are pleased to recommend, for the approval of members, a final dividend of ₹ 6.50 per equity share (i.e. 325%) of the face value of ₹ 2 each. The final dividend on equity shares, if approved by the members at the ensuing Annual General Meeting ('the AGM"), would involve a cash outflow of ₹ 3,107.58 million and shall be subject to deduction of income tax at source and will be paid to those members whose name appears on the register of members (including Beneficial Owners) of the Company as at the end of Friday, July 03, 2026.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), the Company had adopted the Dividend Distribution Policy, which is available on the Company's website at: https://www.bharatforge.com/assets/pdf/investor/download/Dividend-Distribution-Policy.pdf

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

3. RESERVES

During the year under review, the Company does not propose to transfer any amount to the General Reserve. An amount of ₹ 85,900.13 million is proposed to be retained as surplus in the Profit and Loss account.

4. PERFORMANCE OF THE COMPANY

FY 2025-26 saw the Indian economy clock an impressive 7.4% growth per provisional estimates. The GST reforms announced by the government spurred consumption in H2FY26. Automobiles and consumer goods benefited from lower prices following the tax cuts which significantly brought down upfront costs. On the export front, tariff-related uncertainty and CV destocking in North America impacted performance. Against the backdrop of these challenging conditions, your Company clocked a revenue of ₹ 83,956 million in financial year 2025-26, registering a degrowth of (5.1) % YoY.

Domestic Business

Automotive Market: The domestic economy gained momentum in the second half of the year, driven by GST rate cuts. As upfront costs declined, PVs across all segments witnessed healthy growth, with SUVs once again outpacing overall industry growth. In addition to domestic demand, exports grew at a healthy pace as Indian cars gained acceptance in Overseas markets. Our Passenger vehicles (PV) business recorded sales of ₹ 3,974 million, registering growth of 9.7% YoY. The premiumisation trend continues unabated as consumers increasingly prefer vehicles with higher safety ratings.

The domestic CV industry saw stupendous growth as GST rate cuts significantly lowered the total cost of ownership (TCO). In addition to M&HCVs, the Buses segment clocked strong performance as State Transport Undertakings placed more orders. Exports also gained as markets like the Middle East and Southeast Asia saw acceptance of Indian products. The CV OEMs have seen record EBITDA margins for two consecutive years, driven by efficiency gains and operating leverage. The expanding share of heavy trucks like tractor-trailers and tippers in the overall mix has meant that your Company has participated in the market growth in a major way. Our CV business recorded revenue of ₹ 10,364 million, representing a 7.7% YoY growth.

Industrial: The Industrial business registered growth of 8.4% to reach ₹ 25,228 million during the financial year 2025-26. A large part of the growth was due to new business in the supply of machine tools, strong demand from Steel, Power, Construction & Mining, Cement, Renewables and Agriculture. Our company is a major supplier of transmission/Driveline and Engine components to these sectors. As private capex in sectors like AI/Data Centres grows, demand for standby power will create opportunities for component supply for companies like us. The Defence business saw a slight decline this year as component supply to KSSL was lower YoY. However, this temporary blip will reverse in FY27 as execution for the ATAGS and Carbine orders commences. Our Defence product portfolio is program-agnostic and incorporates IP ownership at its core. This strategy has helped us maximise exports and temper any potential cyclicality within the Defence business.

Our Ferrous Casting business under JS Auto Cast ("JSA") had revenue of ₹ 7,571 million, registering 8.6% growth while EBITDA grew 2% to ₹ 1,058 million in FY2025-26. Since the acquisition, JSA has diversified beyond wind energy into Hydraulics, Agriculture and Automobiles. Its total liquid metal capacity stands at 1,30,000 MTPA. With extensive focus on making complex components, new product development is a major focus area for JSA. During the year, JSA undertook numerous de-bottlenecking projects and streamlined operations to optimise costs. To increase value-add, JSA has optimised its Machining capacity in the year gone by.

Our recent acquisition – K Drive Mobility Solutions Private Limited saw revenue of ₹ 9,578 million and EBITDA of ₹ 416 million for the 9 months from July 2025 – March 2026. The Company is making a conscious effort to develop its Axles portfolio beyond M&HCVs to tap bigger opportunities. This journey of reorienting its target market will produce meaningful results in 2-3 years as new programmes enter production.

International Business

Automotive Market: The Company saw a contraction in exports during the year. Trade-related uncertainty in North America, De-stocking of inventory at major CV manufacturers in North America and anaemic growth in Europe kept Automobile exports under pressure.

Our North American CV business declined 50% in FY26 as cyclical de-stocking played out at major Class 8 truck OEMs. Despite the automotive tariffs under Sec 232 being intact, your Company's competitive position in the industry has ensured no loss of market share in the year gone by. Given that the worst of the cyclical correction is behind us, FY27 is likely to be a year of growth.

The Passenger Car business overcame various challenges like US tariffs and sluggish European demand in FY26. Despite all these odds, PV exports registered revenue of ₹ 11,455 million, representing a 3% YoY growth. The resilient performance was driven by higher volumes and market share gains. With a strong balance sheet and capacity to invest, our OEM customers view us as a reliable long-term partner in their growth journey.

Industrial: The Industrial export business saw modest degrowth of (3)% in FY26 to reach ₹ 15,415 million in revenue. Ex-Oil & Gas Industrial exports grew 5% in FY26 as sectors like Construction and Mining, Aerospace and Power posted strong growth in a challenging operating environment. Aerospace closed the year with record revenues of ₹ 2,550 million, registering an 11% YoY growth. Oil & Gas faced headwinds as fracking capex was marginally lower in North America. Our strategy behind seeding multiple verticals has minimised the impact of individual sector volatility on the overall Industrials basket.

Barring any major geopolitical crisis and its impact on demand, we expect Indian manufacturing operations to report strong growth as order execution picks up across businesses. With new opportunities coming up, the company continues to make progressive efforts to target new businesses and new markets.

Standalone & Consolidated

In the financial year 2025-26, the Company recorded a revenue of ₹ 83,957, implying a dip of 5.1% vs 2024-25 on a standalone basis whereas Profit before Tax and exceptional items stood at ₹ 18,208 million, lower by 7.7% YoY.

On a consolidated basis, the Company, its subsidiaries and joint venture companies achieved total revenue of ₹ 168,117 million as against ₹ 151,228 million, an increase of 11.2% YoY.

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

Particulars of loans, guarantees and investments covered under Section 186 of the Act, form part of the notes to the financial statements provided in this Integrated Annual Report.

6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by and between the Company and its Related Parties are on an arm's-length basis and in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee for its review and approval.

Pursuant to Section 134 of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of transactions with related parties are provided in **Form No. AOC-2** which is annexed as **Annexure "A"** to this report. Related Party disclosures as per Ind AS 24 have been provided in **Note 39** to the financial statements.

The Related Party Transaction Policy, as amended in line with the requirements of Listing Regulations has been displayed on the Company's website at: https://www.bharatforge.com/assets/pdf/corporateGovernance/RPT-policy.pdf

The list of Related Party Transactions entered into by your Company for the Financial Year 2025-26 (on a consolidated basis) is available on the Company's website at: https://www.bharatforge.com/investors/corporate-governance/related-party-transactions

7. DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits under Chapter V of the Act.

8. INTERNAL FINANCIAL CONTROLS

Your Company has established an Assurance Office (Internal Audit and Assurance) that handles Internal Audit (in addition to Internal Audit done by an external agency), Risk Management and Investigations under the WhistleBlower Policy of the Company.

Your Company has in place adequate internal financial controls, with reference to financial statements, commensurate with the size, scale and complexity of its operations. An extensive risk-based programme of internal audits and management reviews provides assurance to the Board regarding the adequacy and efficacy of internal controls. The internal audit plan is also aligned with the Company's business objectives and is reviewed and approved by the Audit Committee. Significant audit observations, if any, along with corrective actions thereon, are presented to the Audit Committee. The Assurance Office monitors the adequacy and effectiveness of the internal control systems and key observations are reviewed by the Audit Committee. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

9. RISK MANAGEMENT

The Company has a robust Enterprise Risk Management ("ERM") framework comprising a risk governance structure and defined risk management processes. The Company's ERM cycle comprises four stages i.e. identification of risks, their evaluation, framing of mitigation plans, regular monitoring of risks, action taken and reassessing the risks after completion of the cycle. The risks associated with the business are identified and prioritised and such risks are reviewed by the Senior Management and presented to the Chairman and Managing Director, Vice-Chairman and Joint Managing Director at periodic review meetings. Subsequently, Risk Owners and appropriate review forums are identified for each risk and metrics are developed to monitor and review risk mitigation efforts.

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the Company's risk management plan. The Risk Management Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through ongoing mitigating actions. The development and implementation of the risk management policy have been covered in the Management Discussion and Analysis (MDA), which forms part of this report.

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

There are no adverse material changes or commitments that occurred after March 31, 2026, which may affect the financial position of the Company or may require disclosure.

11. SIGNIFICANT AND MATERIAL ORDERS

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

There are no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the financial year, nor has the Company done any one-time settlement with any Bank or Financial Institution.

12. STATE OF COMPANY'S AFFAIRS

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

13. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2026, stood at ₹ 956,177,264, divided into 478,088,632 equity shares with a face value of ₹ 2 each.

During the year under review, the Company has not issued shares with differential voting rights nor has it granted any stock options or sweat equity. As on March 31, 2026, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

Qualified Institutions Placement
The Company had raised ₹ 16,500 million by way of a fresh equity issue through Qualified Institutions Placement (QIP) during the year 2024-25. During the year 2025-26, the balance proceeds of the QIP issue have been utilised for the acquisition of AAM India Manufacturing Corporation Private Limited, as per details disclosed in the Placement Document for the Issue. The funds were utilised for the purpose for which they were raised, and there were no deviations or variations in the utilisation. The details of utilisation of proceeds of QIP have been covered in the Corporate Governance (CG) Report, which forms part of this report.

Debt
During the financial year 2025-26, the Company undertook the following actions in relation to its outstanding Non-Convertible Debentures (NCDs):

- Full redemption of 2,000 rated, listed, unsecured, redeemable NCDs with a face value of ₹ 1 million each, bearing a coupon rate of 5.80% per annum, aggregating to ₹ 2,000 million.
- Full redemption of outstanding 2,500 rated, listed, unsecured, redeemable NCDs with a face value of ₹ 1 million each, bearing a coupon rate of 5.97% per annum, out of the 5,000 NCDs originally issued.

As on March 31, 2026, the Company had 12,500 rated, listed, unsecured, redeemable NCDs with a face value of ₹ 1 Lakh each, bearing a coupon rate of 7.80% per annum, aggregating to ₹ 1,250 million.

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

Pursuant to the provisions of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time-to-time, the declared dividends, which remained unpaid or unclaimed for a period of 7 (seven) years and shares in relation to such unpaid/unclaimed dividend shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

Date of Declaration	Type of Dividend	Amount transferred (₹)	No. of equity shares transferred
August 09, 2018	Final	24,84,390.00	74,821
November 02, 2018	Interim	21,00,382.50	24,210

The list of equity shareholders whose shares are liable to be transferred or which have been transferred to IEPF, as the case may be, can be accessed on the Company's website at the link: https://www.bharatforge.com/investors/shareholders-information/IEPF

The Company has sent notices to respective shareholders who have not claimed a dividend for 7 (seven) consecutive years and whose shares were liable to be transferred to IEPF during the financial year 2025-26. The newspaper advertisement stating the same has also been published in Loksatta, Marathi, Pune, and Financial Express, English on June 13, 2025, and October 14, 2025.

15. ANNUAL RETURN

In accordance with Sections 92(3) read with 134(3)(a) of the Act, the Annual Return of the Company for the financial year 2025-26 is available on the website of the Company at https://www.bharatforge.com/investors/shareholders-information/Annual-Return

16. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2025-26.

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

a. in preparation of the annual accounts for the financial year ended March 31, 2026, the applicable Accounting Standards have been followed and there were no material departures;

b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2026, and of the profit of the Company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Ashish Bharat Ram (DIN: 00671567), Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for reappointment. A resolution seeking members' approval for his reappointment, along with other required details, forms part of the Notice convening the 65th AGM of the Company.

Further, the term of Mr. Ashish Bharat Ram as Non-Executive Non-Independent Director is for a period of 3 (three) consecutive years, from September 01, 2023, up to August 31, 2026. The Board at its meeting held on May 7, 2026, approved the reappointment of Mr. Ashish Bharat Ram as Non-Executive Non-Independent Director for a term of 5 (five) consecutive years from September 01, 2026, up to August 31, 2031 (both inclusive), subject to the approval of members sought in the ensuing Annual General Meeting of the Company. A resolution seeking members' approval for his appointment, along with other required details. forms part of the Notice convening the 65th AGM of the Company.

The following were the key changes in Board structure during the financial year as well as key changes which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

a. The members, vide Postal Ballot, approved the reappointments of Mr. K.B.S. Anand (DIN: 03518282) and Ms. Sonia Singh (DIN: 07108778) as Independent Directors of the Company for second term of 5 (five) consecutive years with effect from June 27, 2025 to June 26, 2030 (both days inclusive).

b. Mr. Ravi Kapoor (DIN: 00185981) ceased to be an Independent Director of the Company due to other professional commitments with effect from September 30, 2025.

c. The members, vide Postal Ballot, approved the appointment of Mr. B. P. Kalyani (DIN: 00267202) and Mr. S. E. Tandale (DIN: 00266833) as Whole-Time Directors, designated as Executive Directors of the Company, for a term of 5 (five) consecutive years with effect from May 23, 2026, up to May 22, 2031 (both inclusive).

Independent Directors' Declaration
The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including the proficiency) of all Independent Directors on the Board.

18. NUMBER OF MEETINGS OF THE BOARD

The Board met 5 (five) times during the year. A separate meeting of Independent Directors as prescribed under Schedule IV of the Act, was also held during the year under review. The details of the Board of Directors' meetings are provided in the Report on Corporate Governance which forms part of this Integrated Annual Report. The gap between the meetings was within the period prescribed under the Act.

19. BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors, Committees and Chairman was conducted in accordance with the provisions of the Act and the Listing Regulations. The Board evaluated its performance after seeking input from all the Directors on the basis of criteria such as Board composition and structure, the effectiveness of Board processes, information and functioning, etc. The Board evaluated performance of the Committees after seeking input from the committee members on the basis of criteria such as committee composition, the effectiveness of committee meetings, etc. The Independent Directors conducted a performance review of Non-Independent Directors, the Chairperson and the Board. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the NRC reviewed the performance of Individual Directors on the basis of criteria such as individual Director's contribution to Board and Committee Meetings, like preparedness on the issues to be discussed, meaningful and constructive contributions and inputs in meetings, etc.

Assessment and observations on the annual performance evaluation are discussed and key action areas for the Board, Committees and Directors are noted for implementation.

20. FAMILIARISATION PROGRAMME

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business and functional heads at Board meetings, Strategy meetings and through other interactive programmes. Such meetings/programmes include briefings on the Company's domestic and global business. Additionally, the Directors are regularly updated on the Company's new projects, R&D initiatives, changes in the regulatory environment and strategic direction. The Board members are also provided with relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices from time to time.

The details of the familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at https://www.bharatforge.com/assets/pdf/investors/familiarisation-programme-for-independent-directors.pdf

21. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms a part of this Integrated Annual Report describing the initiatives undertaken by the Company from an environmental, social and governance perspective during the year under review.

Further, in terms of SEBI Listing Regulations, the Company has obtained BRSR Reasonable assurance on the BRSR Core Indicators from M/s. KPMG Assurance and Consulting Services LLP on a standalone basis.

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

A statement providing details of the employees in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in a separate annexure which forms part of the Directors' Report. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the shareholders, excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary & Compliance Officer at secretarial@bharatforge.com.

The statement containing the information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure "B"** and forms part of this Report.

Disclosure regarding receipt of remuneration by a Director from the holding or subsidiary of the Company:
Director fees of GBP 100,000 each from Bharat Forge International Limited, U.K. for the financial year 2025-26 are payable to Mr. B. N. Kalyani and Mr. Amit Kalyani.

23. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations. The details of remuneration paid to the Executive Directors and Non-executive Directors have been provided in the Corporate Governance Report forming part of this Integrated Annual Report. The Policy is also available on the Company's website at: https://www.bharatforge.com/assets/pdf/corporateGovernance/NRC-Policy.pdf

24. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and has also implemented several best governance practices. A separate section on corporate governance and a certificate from the Practising Company Secretary regarding compliance with the conditions of corporate governance as stipulated under the Listing Regulations form part of this Integrated Annual Report. The Chairman and Managing Director and the Chief Financial Officer of the Company have certified to the Board on the financial statements and other matters in accordance with Regulation 17 (8) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended March 31, 2026.

25. SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

During the year under review, the Company undertook the following investments/acquisitions:

a) Indigenous IL Limited, a non-operational wholly-owned subsidiary, had filed an application for voluntary liquidation in January 2025 with the Israeli Corporation Authority. Pursuant to Section 342 of the Israel Companies Law 1999, the Indigenous IL Limited was voluntarily dissolved in May 2025 as per 'Certificate of Status of a Company' issued by the Registrar of Companies in Israel.

b) Kalyani Strategic Systems Limited ("KSSL"), a wholly-owned subsidiary of the Company, incorporated a company, namely, Agneyastra Energetics Limited in July 2025 as its wholly-owned subsidiary. Agneyastra Energetics Limited has been incorporated to undertake the manufacturing of High energy explosives, Ammunition high explosive filling (Heavy & Medium Calibre), manufacturing of gun propellants and rocket propellants, creating end-to-end Defence Energetics Capability.

In September 2025, Agneyastra Energetics Limited entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation Ltd., an industrial infrastructure agency of the Government of Andhra Pradesh, for the purchase of a land parcel admeasuring approx. 949.65 acres situated at Madakasira, Anantapur District for undertaking development of an end-to-end Defence Energetics manufacturing complex, including High explosives manufacturing plant, ammunition filling plant, gun propellant facility, and provisions for future expansion into energetics for rockets, missile systems, Space launch vehicles, followed by advanced energetics.

c) KSSL incorporated a joint venture company, namely, Aegis Advanced Systems SL, in July 2025 in Spain. Aegis Advanced Systems SL has been incorporated pursuant to a Joint Venture Agreement ("JV Agreement") executed between KSSL and Duma Engineering Group S.L. ("DUMA") to collaborate for developing technology, product platforms and solutions relating to defence products to address Indian, European and certain other export markets.

d) Upon receiving approval from the Competition Commission of India ("CCI") on April 22, 2025, the Company successfully concluded the acquisition of AAM India Manufacturing Corporation Private Limited (subsequently renamed as "K Drive Mobility Solutions Private Limited") on July 01, 2025 at an Equity Value of ₹ 7474.16 million, including Cash on books of the acquired entity of ₹ 1933.28 Million. Subsequently, K Drive Mobility Solutions Private Limited became a wholly-owned subsidiary of the Company.

e) In February 2026, the Company along with BF Industrial Solutions Limited ("BFISL"), a wholly- owned subsidiary of the Company and J S Auto Cast Foundry India Private Limited ("JS Auto"), a step-down wholly owned subsidiary of

the Company, entered into Securities Subscription Agreement (SSA) and Shareholders Agreement (SHA) ("Definitive Transaction Agreements") with PI Opportunities Fund I Scheme II ("Investor").

Pursuant to the above, in March 2026, JS Auto allotted 1 Equity Share and 14,25,794 0.001% Non-Cumulative Compulsorily Convertible Preference Shares to the Investor, resulting in the Investor acquiring a 23% stake in JS Auto on a fully diluted basis, thereby changing the status of JS Auto from a step-down wholly-owned subsidiary to a step-down subsidiary of the Company.

As on March 31, 2026, the Company has 34 (thirty-four) subsidiaries (including step-down subsidiaries), 1 (one) associate company and 2 (Two) joint venture companies. In accordance with Section 129(3) of the Act, the Company has prepared the consolidated financial statement, which forms part of this Integrated Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries in the prescribed **Form AOC-1** is presented in a separate section forming part of the financial statements.

Performance of Material Subsidiaries:

i. **Bharat Forge CDP GmbH:**

Bharat Forge CDP GmbH ("BF CDP") is the step-down subsidiary of the Company located in Ennepetal, Germany.

BF CDP is engaged in manufacturing forged and machined components for commercial vehicles, passenger vehicles and industrial applications. BF CDP recorded revenue of ₹ 15,952.67 million (Euro 155.69 million) as on March 31, 2026.

In light of the market challenges and other aspects, the Company has in-principally approved the proposal for the phased restructuring of BF CDP's steel forging operations. The proposal may include an orderly wind-down and solvent liquidation of BF CDP, in accordance with applicable German laws.

ii. **Bharat Forge International Limited:**

Bharat Forge International Limited ("BF International") is a wholly-owned subsidiary of the Company located in England, United Kingdom.

BF International is engaged in the business of trading forged and machined components for the automotive and industrial sectors and has a revenue of ₹ 27,984.74 million (USD 316.90 million) for the year ended March 31, 2026.

iii. **Bharat Forge America Inc:**

Bharat Forge America Inc. ("BF America") is a wholly-owned subsidiary of the Company located in Delaware, United States of America.

BF America is a holding company with investments in manufacturing entities in the U.S.A. and involved in group support activities. BF America has revenue of ₹ 331.81 million (USD 3.76 million) for the year ended March 31, 2026.

Pursuant to Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and separate audited accounts in respect of subsidiaries, are available on the website of the Company at: https://www.bharatforge.com/investors/reports/annual-reports

26. AUDIT COMMITTEE

During the year under review, the Board reconstituted its Audit Committee. As on March 31, 2026, the Audit Committee comprises of Mr. K.B.S. Anand, Independent Director as Chairperson and Ms. Rashmi Joshi, Independent Director and Mr. Ashish Bharat Ram, Non-Executive Non-Independent Director as Members. The terms of reference and other details of the Audit Committee including its reconstitution post the change in the Board of Directors and details of meetings held during the financial year are given in the Report on Corporate Governance forming part of this Integrated Annual Report.

All the recommendations made by the Audit Committee were deliberated and accepted by the Board during the financial year 2025-26.

27. AUDITORS

A. Statutory Auditors and Audit Report

At the 61st Annual General Meeting of the Company held on Friday, August 12, 2022, M/s. B S R & CO LLP, Chartered Accountants, Pune (ICAI Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors to hold office for a period of 5 (five) consecutive years till the conclusion of the 66th Annual General Meeting to be held in the year 2027.

The Auditor's Report for the financial year 2025-26 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Integrated Annual Report.

B. Secretarial Auditor and the Audit

At the 64th Annual General Meeting of the Company held on Thursday, August 7, 2025, M/s SVD & Associates, Company Secretaries, Pune (Firm Unique Code P2013MH031900) were appointed as the Secretarial Auditors of the Company to hold office for a period of 5 (five) consecutive years till the conclusion of the 69th Annual General Meeting to be held in the year 2030. The Secretarial Audit Report for the financial year ended March 31, 2026, is appended as **Annexure "C"** to this report.

The observation(s)/qualification(s) of the Secretarial Auditor in their report are self-explanatory and therefore, the Directors do not have any further comments to offer on the same.

C. Secretarial Audit Report of Material Unlisted Subsidiary

As per regulation 24(A) of the SEBI Listing Regulations, a listed company is required to annex the secretarial audit report of its material unlisted subsidiary in India to its Integrated Annual Report. The Company does not have any Material Unlisted Subsidiary in India during FY 2025-26.

D. Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No.: 00030) as Cost Auditors to audit the cost accounts of the Company for the financial year 2026-27. As required under the Act, a resolution seeking shareholders' ratification for the remuneration payable to the Cost Auditors forms part of the Notice convening the 65th AGM.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records & Audit) Rules, 2014, the Company has maintained cost records.

The Cost Audit report for the financial year 2024-25 was filed within the due date.

E. Reporting of fraud by auditors

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

28. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

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

Your Company's goal has always been to create an open and safe workplace where every employee feels empowered, irrespective of gender, sexual preference, and other factors. Your Company has zero tolerance for sexual harassment in the workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment in the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules made thereunder. All women associated (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under the POSH Act. Your Company has gone beyond the intent of the law and made this policy gender-neutral. Your Company follows this practice as part of equal employment opportunity, including gender equality.

Your Company has constituted an Internal Complaints Committee ("ICC") in all the units of the Company to consider and resolve all sexual harassment complaints reported. The ICC has been constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the committee includes external members from NGOs or with relevant experience.

During the year under review, 2 (two) complaints were received by the ICC of the Company, the details of which are tabulated below:

Number of complaints received in the year	Number of complaints disposed off during the year	Number of cases pending for more than 90 days
2	0*	Nil

*Both the complaints resolved in April 2026

Further, the Company reached out to 1509 employees through awareness sessions to increase awareness with respect to the Company's Policy on Sexual Harassment in the workplace. During the year under review, video-based training on POSH awareness was rolled out for all employees and is being hosted on the employee portal to create greater awareness on this subject.

30. VIGIL MECHANISM

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations and in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same has been hosted on the website of the Company. Over the years, the Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. The mechanism under the Policy has been appropriately communicated within and outside the organisation. This Policy inter alia provides direct access to the Chairperson of the Audit Committee. It is affirmed that no Company personnel have been denied access to the Audit Committee.

The Company reaches out to employees through physical/virtual sessions to create greater awareness on this subject. During the year under review, the Company has received 2 (two) complaints under the said mechanism, the details of which are tabulated below:

Number of complaints received during the year	Number of complaints resolved during the year	Number of complaints remaining unresolved/undergoing investigation as on March 31, 2026
2	2	0

The Whistle Blower Policy of the Company has been displayed on the Company's website at the link https://www.bharatforge.com/assets/pdf/postal-ballot/Whistle_Blower_Policy_05.05.2023_Website_new.pdf

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

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

32. CONFIRMATION UNDER THE MATERNITY BENEFIT ACT, 1961

The Company confirms material compliance with the provisions relating to the Maternity Benefit Act, 1961.

33. COMPLIANCE WITH SECRETARIAL STANDARDS

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

34. ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors

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

Pune, May 07, 2026

ANNEXURE "A"

FORM NO. AOC-2

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

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

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

There are no contracts or arrangements or transactions entered into by the Company during the year ended March 31, 2026, which are not at arm's length basis.

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

a]	Name(s) of the related party and nature of relationship	Bharat Forge International Limited (Wholly-owned subsidiary)	Kalyani Steels Limited	Saarloha Advanced Materials Private Limited
b]	Nature of contracts/ arrangements/transactions	Sale of goods, etc.	Purchase of raw material - steel, sale of scrap, etc.	Purchase of raw material – speciality steel, sale of scrap, job work, machining/ sub-contracting charges, etc.
c]	Duration of the contracts/ arrangements/transactions	Ongoing basis	Ongoing basis	Ongoing basis
d]	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters. Estimated annual value of ₹ 50,000 million	In tune with market parameters. Estimated annual value of ₹ 18,000 million	In tune with market parameters. Estimated annual value of ₹ 34,500 million
e]	Date(s) of approval by the Board, if any	February 12, 2025	May 05, 2023	May 05, 2023
f]	Amount paid as advances, if any	Nil	₹ 470 million	₹ 250 million

For and on behalf of the Board of Directors

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

Pune, May 07, 2026

ANNEXURE "B"

INFORMATION PURSUANT TO RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year under review:

Sr. No.	Name	Designation	Ratio of remuneration of each Director to the median remuneration of the employees of the Company
1.	Mr. B. N. Kalyani	Chairman and Managing Director	272.17
2.	Mr. Amit Kalyani	Vice-Chairman and Joint Managing Director	115.80
3.	Mr. B. P. Kalyani	Executive Director	56.93
4.	Mr. S. E. Tandale	Executive Director	62.37

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year under review:

Sr. No.	Name	Designation	% Increase/(decrease) in the Remuneration
1.	Mr. B. N. Kalyani	Chairman and Managing Director	9.21%
2.	Mr. Amit Kalyani	Vice-Chairman and Joint Managing Director	55.13%
3.	Mr. B. P. Kalyani	Executive Director	6.85%
4.	Mr. S. E. Tandale	Executive Director	3.08%
5.	Ms. T. R. Chaudhari	Company Secretary	17.08%
6.	Mr. K.P. Dixit	Chief Financial Officer	6.58%

Note for points 1 and 2:

The Independent Directors/Non-Executive Non-Independent Director(s) of the Company are entitled to sitting fees and commission as per the statutory provisions and the limits approved by the Nomination and Remuneration Committee/ Board Members. The details of the remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors is therefore not considered for the purpose above.

3. The percentage increase in the median remuneration of employees in the financial year: 3.56%

4. The number of permanent employees on the roll of the Company: 1,652

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in salaries of managerial personnel: 8.03% (at 50th Percentile)

Average percentile increase in salaries of non-managerial personnel: 6% (at 50th Percentile)

The increase in remuneration is based not only on Company performance but also on various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects, etc. There are no exceptional circumstances for an increase in the managerial remuneration.

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration paid to the Directors is as per the Company's remuneration policy.

ANNEXURE "C"

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
&
Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,

The Members,

Bharat Forge Limited,

Mundhwa, Pune Cantonment, Pune - 411036.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Forge Limited** bearing **CIN: L25209PN1961PLC012046** (hereinafter referred to as the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended on March 31, 2026** (the audit period) according to the provisions of:

i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable during the audit period);

   h. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (not applicable during the audit period);
   i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable to during the audit period).

vi. **We further report that,**

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

i. The Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by 'The Institute of Company Secretaries of India'; and

ii. The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the Listing Regulations).

During the audit period, the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above subject to the following observation:

The Company has made timely payment of interest on its rated, listed, unsecured, redeemable, Non-Convertible Debentures (NCDs) (bearing ISIN: INE465A08038 and Security Code: BHFG27). However, there was a delay in intimation of record date in terms of Regulation 60 (2) of the Listing Regulations, to the National Stock Exchange of India Limited (NSE), where the NCDs are listed, for which NSE levied a fine of ₹ 11,800 (Rupees Eleven thousand Eight Hundred Only) [inclusive of taxes] which was paid by the Company within the prescribed timeline.

We further report that,

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, the meeting is convened with necessary quorum and in the presence of Independent Directors. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that,

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

We further report that,

During the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

i. The Company in its Board Meeting held on June 30, 2025, approved the transfer of identified assets and liabilities of the Defence Business of the Company to Kalyani Strategic Systems Limited ("KSSL"), a wholly owned subsidiary of the Company, as a part of an internal restructuring exercise by entering into a Business Transfer Agreement ("BTA") and Intellectual Property Rights Licensing Agreement which was subsequently concluded during the quarter ended September 30, 2025.

ii. Kalyani Strategic Systems Limited ("KSSL"), a wholly owned subsidiary of the Company, has incorporated:

a. Agneyastra Energetics Limited ("Agneyastra") on July 02, 2025 as its wholly owned subsidiary. Subsequently, Agneyastra has become a step-down wholly owned subsidiary of the Company.

b. Aegis Advanced Systems SL on July 17, 2025 in Spain ("Aegis"). Aegis has been incorporated pursuant to a Joint Venture Agreement executed between KSSL and Duma Engineering Group S.L. Subsequently, Aegis has become a step-down subsidiary of the Company.

iii. Upon receiving approval from the Competition Commission of India ("CCI") on April 22, 2025, the Company successfully concluded the acquisition of AAM India Manufacturing Corporation Private Limited (renamed as "K Drive Mobility Solutions Private Limited") on July 01, 2025 at an Equity Value of ₹ 7474.16 Million including Cash on books of the acquired entity of ₹ 1933.28 Million. Subsequently, K Drive Mobility Solutions Private Limited has become a wholly owned subsidiary of the Company.

iv. The Board of Directors of the Company in its meeting held on February 12, 2026, approved the merger of Ferrovia Transrail Solutions Private Limited ("FTSPL"), a step-down wholly owned subsidiary of the Company with BF Infrastructure Limited, a wholly owned subsidiary of the Company and holding company of FTSPL.

v. J S Auto Cast Foundry India Private Limited ("JS Auto") has agreed to offer, issue, and allot Equity Shares and Compulsorily Convertible Preference Shares, subject to the terms and conditions mentioned in Securities Subscription Agreement and Shareholders Agreement with PI Opportunities Fund I Scheme II ("Investor") on February 02, 2026. Subsequently, JS Auto completed the aforesaid transaction on March 16, 2026 resulting in the Investor acquiring 23% stake in JS Auto on a fully diluted basis. Accordingly, the status of JS Auto has changed from step-down wholly owned subsidiary to step-down subsidiary of the Company.

vi. The Company, in its Annual General Meeting held on August 07, 2025 enhanced the leasing, selling, disposal of undertaking limits up to ₹ 50,000 Million (Rupees Fifty Thousand Million Only) vide Members approval through a Special Resolution.

vii. The Company has made payment of interest on and full redemption of:

a. 2,000 (Two Thousand), rated, listed, unsecured, redeemable, Non-Convertible Debentures having face value of ₹ 1,000,000 (Rupees One Million Only) (bearing ISIN: INE465A08020) on April 17, 2025 (the due date).

b. 2,500 (Two Thousand and Five Hundred) rated, listed, unsecured, redeemable, Non-Convertible Debentures having face value of ₹ 1,000,000 (Rupees One Million Only) (bearing ISIN: INE465A08012) on August 06, 2025 (the due date).

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Unique Code of the Firm: P2013MH031900
Peer Review No: 6357/2025
UDIN: F006156H000288955

Place: Pune
Date: May 07, 2026

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

ANNEXURE A

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

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

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards CSAS-1 to CSAS-4 (CSAS) issued by the Institute of Company Secretaries of India (ICSI). These Standards require that the Auditor comply with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

3. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS.

4. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

METHODOLOGY

5. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

6. We have relied on the documents and evidence provided physically and through electronic mode.

7. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

DISCLAIMER

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

9. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Unique Code of the Firm: P2013MH031900
Peer Review No: 6357/2025
UDIN: F006156H000288955

Place: Pune
Date: May 07, 2026

ANNEXURE "D"

ANNUAL REPORT ON CSR ACTIVITIES

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

1. BRIEF OUTLINE ON CORPORATE SOCIAL RESPONSIBILITY POLICY OF THE COMPANY:

At Bharat Forge, we constantly reshape our Corporate Social Responsibility ("CSR") initiatives and realign ourselves better to suit the Government's vision for social development. This belief in giving back to society has driven us to accomplish more every year, through our CSR efforts under the governance of our CSR Committee Leaders.

Sustainability is at the heart of our project.

Our CSR policy aims to have a dedicated approach to the development of the community by spread out in the areas of Village Development (works on 5 major indicators - water harvesting, livelihood, health, education and internal roads), primary, secondary and tertiary education for the underprivileged children, skill development, health, women empowerment, sustainability and support to the talented players.

The projects undertaken by the Company are within the broad framework of Schedule VII of the Companies Act, 2013 ("Act").

The detailed policy and gist of the CSR activities can be viewed on the Company website at: https://www.bharatforge.com/assets/pdf/investor/download/BFL-CSR-Policy-Signed.pdf

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. B. N. Kalyani	Chairman and Managing Director, Chairperson of CSR Committee	2	2
2.	Mr. Amit B. Kalyani	Vice-Chairman and Joint Managing Director, Member of the CSR Committee	2	2
3.	Mr. Anand Pathak	Independent Director, Member of the CSR Committee	2	2
4.	Mr. K.B.S. Anand	Independent Director, Member of the CSR Committee	2	2

3. PROVIDE THE WEB LINK WHERE THE COMPOSITION OF THE CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

- The composition of CSR committee is available at- https://www.bharatforge.com/sustainability/csr-committee
- The CSR Policy of the Company is available at- https://www.bharatforge.com/assets/pdf/csr/csr-policy.pdf
- The CSR projects undertaken by the Company are available at-

Village Development	https://www.bharatforge.com/sustainability/csr-programmes/village-development
Education	https://www.bharatforge.com/sustainability/csr-programmes/education
Skill Development	https://www.bharatforge.com/sustainability/csr-programmes/skill-development
Women empowerment and community development	https://www.bharatforge.com/sustainability/csr-programmes/women-empowerment-and-community-development
Sports	https://www.bharatforge.com/sustainability/csr-programmes/sports

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE

The Company takes cognisance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"). The Company has undertaken the impact assessment of its CSR projects for the financial year 2025-26 through independent agencies. The summary of the aforesaid impact assessment can be accessed on the Company's website at: https://www.bharatforge.com/sustainability/downloads/third-party-assessment-reports

5. (a) Average net profit of the Company as per Section 135(5): ₹ 17,906 million

(b) Two per cent of the average net profit of the Company as per Section 135(5): ₹ 358.13 million

However, the Company's budgeted CSR Annual Action Plan for FY 2025-26 is of ₹ 360.20 million

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

(d) Amount required to be set off for the financial year, if any: NA

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 360.20 million

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects): ₹ 294.29 million

i. Ongoing Projects (Refer Annexure "D1") : ₹ 293.11 million

ii. Other than Ongoing Projects (Refer Annexure "D1"): ₹ 1.18 million

(b) Amount spent on Administrative Overheads: ₹ 4.46 million (1.52% of the total CSR expenditure for the financial year)

(c) Amount spent on Impact Assessment, if applicable: ₹ 0.165 million (0.0055% of the total CSR expenditure for the financial year)

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 298.91 million

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹ million)	Amount Unspent (in ₹ million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
298.91	61.29	April 29, 2026	Nil	Nil	Nil

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹ million)
(i)	Two per cent of the average net profit of the company as per section 135(5)	358.13
(ii)	Total amount spent for the Financial Year	298.91
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	NA

7. DETAILS OF UNSPENT CSR FOR THE PRECEDING THREE FINANCIAL YEARS:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Million)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ Million)	Amount spent in the financial year (in ₹ Million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹ Million)	Deficiency, if any
					Amount (in ₹ Million)	Date of transfer		
1.	2022-23	4.42	-	4.42	-	-	Nil	-
2.	2023-24	36.83	0.71	36.12	0.71	-	0.71	-
3.	2024-25	61.22	2.07	49.38	-	-	13.91	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CSR AMOUNT SPENT IN FINANCIAL YEAR: NO

Furnish the details relating to such asset(s) created or acquired through Corporate Social Responsibility amount spent in the Financial Year - NA

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):

For the financial year 2025–26, the Company was required to spend ₹ 358.00 million towards Corporate Social Responsibility (CSR) initiatives as per the provisions of Section 135 of the Companies Act, 2013. Out of this amount, certain projects were undertaken during the Financial Year that qualify as ongoing projects and are scheduled to be executed over a period of time. Consequently, an unspent amount of ₹ 61.29 million relating to such ongoing projects has been transferred to the Unspent CSR Account 2025–26 within the stipulated time.

B. N. KALYANI
Chairman and Managing Director &
Chairperson, CSR Committee
DIN: 00089380

Pune, May 07, 2026

ANNEXURE D1

DETAILS OF THE CSR PROJECTS FY 2025-26:

SN	Names of CSR Projects/ Programmes	Activity under Schedule VII	Local Area (Yes/ No)	Location of the project		Proposed Budget	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Imple-menta-tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		Project Duration
				State	District	Amount (in ₹ Million)				Name	CSR Registration number	
1	**Environment Projects**											
	i. Tree Plantation, Solar Energy & Waste Management	(iv) Environmental Sustainability	No	Maharashtra	Satara, Pune, Ahmednagar, Solapur, Ahilyanagar & Kolhapur	78.00	69.50	8.495	No	Agriculture Development Trust & Know How foundation	CSR00001043 & CSR00002818	3 Years
	ii. Swachh Sunder School Competition for villages from Dist. Satara, A.Nagar & Taluka Purandar, Ambegaon from Dist. Pune		No		Dist. Satara & Pune	5.00	0.00	5.000	Yes			3 Years
	iii. Swachh Sunder Gaon Competition for villages from Dist. Satara & Taluka Purandar from Dist. Pune		No		Satara	7.50	0.00	7.500	Yes			3 Years
	iv. Pune Cantonment & Force one Commando Training Centre trees plantation and garden maintenance		Yes		Pune	2.00	0.00	2.000	Yes			3 Years

SN	Names of CSR Projects/ Programmes	Activity under Schedule VII	Local Area (Yes/ No)	Location of the project		Proposed Budget	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Imple-menta-tion -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		Project Duration
				State	District	Amount (in ₹ Million)				Name	CSR Registration number	
2A	**Village Development Project- Working on 5 major indicators: water, internal roads, livelihood, health and education**											
	i. Water	(x) rural development	No	Maharashtra	Satara, Pune, Ahmednagar, Solapur & Kolhapur	134.82	123.70	11.120	No	Maharashtra Arogya Mandal & Nisargvedh	CSR00002233 & CSR00037675	3 Years
	ii. Internal Roads and internal gutters											
	iii. Livelihood											
	iv. Health - Under health, below are the initiatives								No			3 Years
	a) Strengthening of Primary Health Care Centres and healthcare services	(i) Health			Pune	20.00	19.99	0.010	Yes			3 Years
	b) Telemedicine				Satara, Pune	6.40	3.29	3.110	No	Samavedana	CSR00003785	3 Years
	c) Upgradation centre of precision					30.00	30.00	0.000	No	Grant medical foundation	CSR00004934	3 Years
	d) Cancer screening camps					1.00	0.05	0.951	Yes			3 Years
	v. Education - Infrastructure Development & Mission Sanitation of Schools	(ii) Education		Maharashtra		15.00	11.22	3.779				3 Years
3	Pratham Pune		Yes	Maharashtra	Pune	7.00	6.67	0.333	No	Pratham	CSR00001197	3 Years
4	Pradyna Vikas					2.20	1.86	0.343		JNANA PRABODHINI	CSR00002565	3 Years
5	Anubhav Shala Khelghar					1.90	1.84	0.064		JNANA PRABODHINI	CSR00002565	3 Years
6	Vidyarthi Sahayak Samiti					4.00	3.98	0.024				

SN	Names of CSR Projects/ Programmes	Activity under Schedule VII	Local Area (Yes/ No)	Location of the project		Proposed Budget	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Imple-menta-tion -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		Project Duration
				State	District	Amount (in ₹ Million)				Name	CSR Registration number	
7	Support to Industrial Training institutes as Industry partners and skill development trainings	(ii) Skill development	No	Maharashtra	Pune & Ahilyanagar	7.00	0.07	6.930	Yes			3 Years
8	Working in the northeast area and aspirational districts on Education & Infrastructure development	(ii) Education	No	Nagaland, Mizoram	Dimapur	20.00	12.63	7.368	Yes	Simusoft Technologies	Register No. 23310003177 77211	3 Years
9	Setting up of Skill Labs/Centres in the villages and aspirational districts	(ii) Skill development	No			7.00	4.38	2.625	Yes			3 Years
10	Community Development & Women Empowerment	(iii) Women Empowerment	Yes	Maharashtra	Pune	1.20	1.06	0.137	Yes			3 Years
11	Lakshya	(vii) Promotion of sports	No	Maharashtra	Pune	3.00	2.88	0.125	No	Lakshya	CSR00002633	3 Years
Total of ongoing projects						**353.02**	**293.11**	**59.91**				
	Details of CSR amount spent against other than ongoing projects for the financial year:											
2B	One-time project (other than an ongoing project)		Yes	Maharashtra	Satara & Pune	1.18	1.18	0.000				1 year
12	CSR ADMIN & IMPACT					6.00	4.62	1.38				
Total of all						**360.20**	**298.91**	**61.29**				

ANNEXURE "E"

INFORMATION AS PER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2026

A. CONSERVATION OF ENERGY

During the reporting period, Bharat Forge Limited continued to focus on systematic energy conservation and efficiency optimisation as a key element of its ESG and operational excellence strategy and undertook several initiatives aimed at conserving energy and utilising alternative energy sources. These projects were implemented across various locations and involved significant investments in energy conservation equipment. Below is a detailed description of the projects and their outcomes.

I. Steps taken for Conservation of Energy (Energy efficiency projects):

The Company has implemented a comprehensive strategy to conserve energy across various departments and processes. This strategy includes several targeted initiatives to reduce energy consumption and improve efficiency. The key topics covered under this strategy are:

- **Heating Systems: Using the New Technology Self-Recuperative burners for Heat Treatment furnace.**

  The Company has replaced existing conventional-type burners with Self-Recuperative burners, leading to energy savings and reduced emissions. These new technology burners reduce fuel consumption by 25% and reduce the heating time to 30 minutes.

- Optimisation of energy-intensive processes, deployment of energy-efficient equipment and Variable Frequency Drives (VFDs), and improved management of utilities such as compressed air and cooling systems.

- **Waste heat recovery systems** continued to be leveraged to enhance thermal efficiency and reduce dependence on primary energy sources across select operations.

- Digital tools, including real time energy monitoring and analytics, were used to track consumption patterns, support proactive corrective actions, and strengthen data driven decision making. **Periodic internal and external energy audits** were conducted to identify opportunities for conservation, and structured action plans were implemented accordingly.

- Overall, the sustained emphasis on energy conservation during the year reinforced Bharat Forge Limited's commitment to **resource efficiency, cost optimisation, and environmental responsibility**, in line with stakeholder expectations and long term sustainability goals.

II. Steps taken for utilising an alternative source of energy:

- The Company also progressed with **increased integration of renewable energy** through captive and group captive wind and solar power arrangements, supplemented by rooftop solar installations at certain locations. These initiatives contributed to lowering the carbon intensity of operations and enhancing long term energy security.

III. The Capital investment in energy conservation equipment:

The Company has made considerable capital investments in energy conservation equipment to enhance energy efficiency and reduce operational costs. Some of the notable investments include:

Replacement of Hydraulic Press & Heater: Investment in replacing the 630T Hydraulic press and 500 kW heater with new energy-efficient equipment at the Extrusion line in Mundhwa plant, resulting in improved energy efficiency and reduced power consumption.

Continuous Electric Rotary Furnace: Investment in the procurement of a new continuous electric rotary furnace for Aerospace production in the Mundhwa plant, replacing older furnace technology with more energy-efficient electric heating systems.

Cooling Conveyor with SCADA System: Investment in a cooling conveyor with SCADA system for the 8000 TP line for knuckle parts at the Mundhwa plant, enabling automated monitoring and energy optimisation.

Modernisation of Swaging Machine: Investment in modernisation and tooling for GFM make swaging machine at the Jejuri plant, improved operational efficiency and reduced energy consumption.

Technology Upgradation - CBN Grinder: Investment in a CBN Grinder for HHP Crankshaft at the Baramati plant, incorporating modern grinding technology with improved energy efficiency.

Sustainability Initiative - Recyclable Pallets: Investment in VECV Recyclable Finished Good pallets at the Mundhwa plant, contributing to 21,000 Kg of wood reduction annually and supporting environmental sustainability goals.

These investments have not only contributed to energy conservation but also resulted in cost savings for the Company. A total of close to **₹ 670 million** has been made as capital investment for all energy conservation initiatives during FY 2025-26.

In conclusion, the Company has demonstrated a continued commitment to energy conservation and sustainability through various initiatives and investments. By implementing various energy-efficiency initiatives, including modernisation of equipment and adoption of advanced technologies, the Company has made significant strides in reducing its energy consumption. These efforts reflect the Company's dedication to environmental responsibility and its approach to achieving long-term sustainability goals.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards technology absorption:

- Advanced Defence technology absorption through indigenous development and application-focused engineering was made, e.g., armour plate for Defence applications, critical manufacturing capability for nuclear submarine steam-generator parts in 38X, 15X, and SS321 grades, final drive and PTO drive for light tank vehicle, independent suspension axle for 14T Defence vehicle, and advanced hydro-jet prototype for amphibious vehicle applications.
- Forging technologies for advanced materials using the closed die forging method were developed, e.g., high-value aluminium alloy, stainless steel, and super alloy, Haynes 282. Some of the important components developed were PC Piston used in power generation, CRES 347 austenitic stainless steel, and established Haynes 188 cobalt-based superalloy forging technology.
- Forging process improvement was achieved by technology absorption on advanced forming capability, productivity, and process flexibility, hollow shaft manufacturing through the rotary swaging process, establishing DLW Piston manufacturing on PSH forging press as a replacement for conventional extrusion press, and developing trimming and piercing operations for superalloy forgings to reduce machining dependency and improve production efficiency.
- Die life improvement initiatives included alternative HWS grade materials, split-type insert tooling for 2X life improvement, 9966 Super C die material validation for superalloy forging, cassette-height modification for 15–20% higher die life and PZS2 bottom die-holder crack repair methodology
- Advanced machining capability was strengthened through precision machining of thermoplastics such as PEEK, POM and PTFE, titanium component machining for the electronics industry and FAB fixture conversion from single-beam to double-beam machining to improve productivity by 18%.
- Design and simulation-led technology absorption covered forging component design optimisation for improved strength-to-weight ratio and reliability, ANSYS scripting automation, road-load data acquisition using strain gauging, AI/ML-based grinding burn and anomaly prediction, IoT-based ANDON for HSM machines, implementation of Windchill PLM Phase 1 mapped to the KPDS process, and RFQ preform design automation.
- Process modernisation was achieved through energy-efficient Thyristor welding, Gantry-enabled productivity optimisation, thermal-efficiency coatings, and advanced extrusion tooling that improved punch life from 250 to 1,000 pieces.

- Metallurgical reliability was enhanced through targeted chemistry modification in 38MnVS6 microalloy steel, Al6061 chemistry optimisation to prevent abnormal grain growth, and heat-treatment optimisation of 20MnMoNi55 pressure-reactor-vessel steel to improve microstructural control and product consistency.
- Product diversification was advanced through new automotive and mobility solutions, including the E-scroll compressor, battery cooling system for trucks and buses, lightweight two-wheeler front suspension component, near-net sprocket, helical gear and pinion shaft with spur tooth, complex shell and cold-forged shell development, in-house water descaling for part-quality enhancement, O-ring automation systems, bidirectional lubrication pump with portable test rig, high-speed gearbox solutions for durability testing, internal planetary and helical gearbox rigs, and expanded fatigue-testing capability for half axle and suspension-steering linkage components.

Technical Papers:
Eight technical papers were published in leading international conferences (AGSNANOMAT, IIM-ATM, Friction-Based Processes) and reputed journals including the Indian Welding Society Journal and IOP Science, across the domains of advanced materials, metallurgy, welding, and simulation.

IP Generation:
The Company's portfolio currently includes 154 filed patents (126 patent families), 84 grants across jurisdictions and 36 design applications of which 25 designs are registered. For the fiscal year 2025-2026, we have filed 15 patents, received 03 grants, filed 07 design applications, and registered 15 designs.

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

- Process improvement initiatives delivered significant gains in productivity, cost efficiency, and operational performance across key forging operations, optimised forging process eliminating post-preform operations, established piston carrier forging process, optimised fluid end forgings with input weight and cycle reduction – ₹ 100 million projected savings, developed trimming and piercing for superalloy forgings, optimised LMZ lubrication consumption – 3.9 RML savings, developed two-at-a-time crankshaft forging, established reduced rolling with special alloy material and achieved yield improvement – 3.54 RML savings.
- Die life improvement initiatives strengthened tooling reliability, productivity, and cost efficiency across critical forging operations, developed split-type tooling to improve die life and setup time, optimised Eumuco press piercing punch cooling through spiral groove design, indigenised bottom bull pin for improved die performance, deployed 9966 Super C die material delivering more than 2X forging output with better quality versus DIN 1.2714, modified cassette height to enable additional recuts and achieve 15–20% die life improvement, developed PZS2 bottom die holder crack repair methodology to reduce lead time and cost, innovated gear die and flashless blank gear designs to enhance die life and productivity, and improved body forging draw punch life.
- Advanced machining process initiatives enhanced precision, productivity, and high-value component capability for critical applications, established CAM-based turning for body forging pre-nose machining, improved gear die topology through optimised CAM strategy, developed precision machining of thermoplastics including PEEK, POM, and PTFE for tight tolerances and superior surface finish, and developed titanium parts for electronics applications requiring lightweight, high-strength, corrosion-resistant, and precision-critical performance.
- Data analysis, design optimisation, and FEA initiatives accelerated cost reduction, product performance, yield, and predictive manufacturing capability, optimised crankshaft RMA design to reduce cost and machining cycle time, achieved 10% crankshaft light weighting to improve weight-to-strength ratio, optimizsd Schuler press setup time through virtual validation, improved crankshaft yield through bender design optimisation and three-pass reduce rolling, advanced AI/ML-based grinding burn and anomaly prediction for early thermal damage detection and adaptive dressing, and optimised piercing punch design through thermomechanical simulation delivering 300–400% punch life improvement.
- Advanced process development initiatives enhanced capacity, operational flexibility, localisation, and measurable cost savings, established DLW piston on PSH line under D 2815 capacity optimisation enabling Shell Forge capacity release – 86.7 RML annual cost saving, developed continuous aluminum casting tooling through additive manufacturing, developed H13 extrusion tooling for aluminum alloy using additive manufacturing, indigenised screw press ram locking mechanism – 4.8 RML cost saving, and designed in-house shrink disc to reduce crankshaft torsional fatigue test setup time.
- Metallurgical process improvement initiatives strengthened product quality and customer specification compliance, conducted metallurgical analysis for D#3943 VW fatigue result scatter to improve crankshaft quality and meet customer requirements, and optimised Al6061 chemistry to support new product application
- New material forging initiatives expanded high-value business opportunities, advanced alloy capability, and critical sector readiness, developed forging technology for Haynes 282 and Haynes 188 superalloys to enable new business growth, developed exotic PH-grade ESR stainless steel impeller forgings for petrochemical turbine applications, and developed warhead forgings for a missile program using ESR-melted Super Martensitic Stainless Steel.
- Defence initiatives strengthened indigenous capability, strategic manufacturing readiness, and critical national Defence applications, developed an ammunition guide system for turret gun applications, developed warhead forgings for a missile program using ESR-melted Super Martensitic Stainless Steel, and provided metallurgical support for indigenous development of KM4 A208, T208, A212, T212, axle assembly, and transfer case assembly.
- New product development initiatives accelerated business growth, customer responsiveness, and capability across automotive, industrial, and EV applications, developed new business with JS Autocast for multiple ADI casting grades, fast-tracked PSH D 5048 bucket wheel development for DLW and delivered within one month to ensure business continuity – 1,949 parts shipped with 95.5 RML sale value, developed aluminum scroll through warm forging, and designed end plate for EV application.

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

Details of Technology Imported (product)	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
Conversion of green hydrogen to electrical energy using fuel cell	2023	Yes	-
3D Printing Machine Formlabs 3+	2024	Yes	-
3D printing Machine Raise 3D Pro 3 HS	2024	Yes	-
Establishment of Hollow shaft development using rotary swaging technology	2025	Yes	-
ULTIMAKER 3D Printer	2025	Yes	-
Scroll compressor and Piston compressor Test RIG	2025	Yes	-
Refrigerant refilling system	2025	Yes	-
Corrosion Inhibiting System: Boselon VCI-Japan	2025	No	Phase three of the trial is currently in progress, dedicated to assessing the reliability of the crankshaft.
Fillet rolling and Roll Straightening of heavy-duty crankshafts for improving fatigue life.	2026	No	The purchase order has been placed, and the machine is scheduled for delivery by the first quarter of 2027.

IV. Expenditure on Research and Development:

In ₹ Million

SN	Particulars	Amount
i)	Capital	25.77
ii)	Recurring	495.09
iii)	Total R&D expenditure	520.86
iv)	Total Income	85,401.35
v)	Total R&D expenditure as a percentage of total income	0.61%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

I. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

- Continued efforts to increase Share of Business across Customers
- Renewed Long-Term Agreements (in most cases, capacities booked beyond Year 2032)
- Strong business traction sustained, with significant wins across diverse global segments, customers, and geographies.
- Recognised by leading global OEMs, reflecting consistent delivery excellence, strengthened customer confidence & ESG focus.
- Strategic growth initiatives progressing well, with focused investments for adding new customers.
- Intensifying efforts for Capability expansion (new technologies & new market segments)

II. Total foreign exchange earnings and outgo for the financial year is as follows:

i. Total Foreign Exchange earnings : ₹ 40,163.59 million

ii. Total Foreign Exchange outgo : ₹ 8,781.74 million

Report on Corporate Governance

I. CORPORATE GOVERNANCE PHILOSOPHY

The Company believes that corporate governance encompasses the principles, values, and practices that guide decision-making processes within an organisation, ensuring transparency, accountability, and ethical behaviour at all levels. It serves as the compass that directs the actions of management emphasising the importance of responsible administration of resources, fair treatment of stakeholders, and alignment with legal and regulatory requirements. The Company endeavours good corporate governance to foster a culture of integrity and trust, laying the foundation for sustainable growth, stakeholder confidence, and long-term value creation.

This report is prepared adhering to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as may be applicable from time to time.

II. BOARD OF DIRECTORS

Composition of the Board

The Company's Board of Directors ("Board") embodies diverse expertise, strategic vision, and ethical leadership. With a commitment to accountability, risk management, and effective decision-making, board members navigate complex issues with clarity and integrity. Strong communication skills foster open dialogue and collaboration, while a dedication to continuous learning ensures adaptability in a dynamic business landscape. Engaged and committed, the Board upholds the organisation's mission, guiding it towards sustainable success and fulfilling its responsibilities to shareholders and stakeholders alike.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Sections 149 and 152 of the Companies Act 2013 ("the Act"). As on March 31, 2026, the Company has 10 (Ten) Directors. Of the 10 Directors, 5 (i.e., 50.00%) are Independent Directors, including 2 women Independent Directors, 4 (i.e., 40.00%) are Executive Directors (including the Chairman & Managing Director and Vice-Chairman & Joint Managing Director, who are Promoter Directors), and 1 (i.e., 10.00 %) is a Non-Executive Non-Independent Director.

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 ("SEBI"), Ministry of Corporate Affairs ("MCA") or any such statutory authority/ies. None of the Directors of the Company holds directorship in more than 10 public Companies, serves as Director or as Independent Director in more than seven listed entities and directors who are Executive Directors serve as independent directors in more than three listed entities.

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 Act along with rules framed thereunder. In terms of Regulation 25(8) of the 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 have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the Listing Regulations and that they are independent of the management and the Company. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Number of Board Meetings

During the financial year 2025-26, the Board of the Company met five (5) times, in compliance with the provisions of the Act and Listing Regulations, with a maximum and minimum time gap of ninety-six (96) and thirty-six (36) days, respectively between two Board Meetings. The said meetings were held on May 8, 2025; June 30, 2025; August 6, 2025; November 11, 2025 and February 12, 2026. The necessary quorum was present for all the Board Meetings.

Information Supplied to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or in presentations and discussions during the meetings. In exceptional circumstances, additional or supplementary agenda items solely on a matter of business urgency 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' Directorship(s), Committee Membership(s)/Chairmanship(s) and Attendance of Directors

The name and categories of the Directors on the Board, the number of Directorship(s) and Committee Membership(s)/ Chairmanship(s) held by each one of them in Indian Public Limited Companies as on March 31, 2026, and attendance in the Board meetings and Annual General Meeting ("AGM") held during the financial year 2025-26 are given below in **Table 1**. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than 10 committees or Chairperson of more than five committees across all the public limited companies in which he/she is a director. For determining the limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1) (b) of Listing Regulations.

Table 1: Directors' Directorships, Committee Memberships/Chairmanships and Attendance of Directors

Name of the Directors and DIN	Number of Board Meetings attended during the FY 2025-26	Whether attended the last AGM held on August 7, 2025	Category	Number of Directorships in Public Companies (including Bharat Forge Limited)	Number of Committee positions held in Public Companies (including Bharat Forge Limited)		Directorship in other listed entities (Category of Directorship)
					Chairman	Member	
Mr. B. N. Kalyani (DIN: 00089380)	5	Yes	Promoter-Executive	4	1	3	1. Kalyani Steels Limited[N] 2. Automotive Axles Limited[N]
Mr. Amit Kalyani (DIN: 00089430)	5	Yes	Promoter-Executive	6	0	2	1. Kalyani Steels Limited[N] 2. BF Utilities Limited[N] 3. Hikal Limited[N] 4. BF Investment Limited[N] 5. Kalyani Investment Company Limited[N]
Mr. B.P. Kalyani (DIN: 00267202)	5	Yes	Executive	1	NIL	NIL	NIL
Mr. S. E. Tandale (DIN: 00266833)	5	Yes	Executive	1	NIL	NIL	NIL
Mr. Ashish Bharat Ram (DIN: 00671567)	5	Yes	Non-Executive Non-Independent	6	1	3	1. SRF Limited[ED] 2. KAMA Holdings Limited[N] 3. Havells India Limited[ID]
* Mr. K.B.S Anand (DIN: 03518282)	5	Yes	Non-Executive-Independent	6	3	8	1. Borosil Limited[ID] 2. Tata Chemicals Limited[ID] 3. Galaxy Surfactants Limited[ID] 4. Lupin Limited Limited[ID] 5. UFO Moviez India Limited[ID]
Mr. Dipak Mane (DIN: 01215889)	5	Yes	Non-Executive-Independent	1	NIL	NIL	NIL
Mr. Anand Pathak (DIN: 01529308)	5	Yes	Non-Executive-Independent	1	1	1	NIL
* Ms. Sonia Singh (DIN: 07108778)	5	Yes	Non-Executive-Independent	6	2	5	1. Pfizer Limited[ID] 2. BASF India Limited[ID] 3. Kansai Nerolac Paints Limited[ID] 4. Voltas Limited[ID]
Ms. Rashmi Joshi (DIN: 06641898)	5	Yes	Non-Executive-Independent	6	2	7	1. Vesuvius India Limited[ID] 2. Orkla India Limited[ID] 3. Foseco Crucible (India) Limited[ID] 4. GE Vernova T&D India Limited[ID]
# Mr. Ravi Kapoor (DIN: 00185981)	3	Yes	Non-Executive-Independent	NA	NA	NA	NA

N Non-Executive Non-Independent

ID Independent, Non-Executive

ED Executive Director

* Reappointed as an Independent Director of the Company w.e.f. June 27, 2025 for the second term.

\# Ceased to be an Independent Director of the Company w.e.f. September 30, 2025 due to resignation. Further, there are no material reasons for the said resignation.

Independent Directors

In the opinion of the Board of Directors, each Independent Director fulfills conditions specified in Section 149(6) of the Act and the 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 at the link: https://www.bharatforge.com/assets/pdf/investors/Terms_of_Appointment_of_Independent_Director-clean.pdf

Your Company recognises the crucial role that the Independent Directors play in ensuring an efficient and transparent work environment; hence, during the year 2025-26, one (1) meeting of Independent Directors was held on May 8, 2025, without the presence of any Non-Independent Director and senior management of the Company. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors and the Board as a whole. The outcome of the meeting was presented to the Board along with the course of action taken for implementing the observations/suggestions received from the Independent Directors.

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the familiarisation 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/investors/familiarisation-programme-for-independent-directors.pdf

III. REQUIREMENT OF CORE SKILLS/EXPERTISE/COMPETENCIES FOR THE BOARD OF DIRECTORS AS IDENTIFIED FOR COMPANY'S BUSINESS

The Board has constituted a Nomination and Remuneration Committee and delegated to it the task of fixing criteria for identifying, screening, recruiting and recommending a candidate with an appropriate mix of diversity, skills, expertise and competencies to better anticipate the risks and opportunities in building a long-term sustainable business of the Company.

The **Table 2** below summarises the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board:

Table 2: Key Qualifications, Skills and Attributes

Sr. No.	Areas of expertise required	Description
A1	Strategic Planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies that align with the Company's strategic objectives, relevant policies, and priorities.
A2	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.
A3	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.
A4	Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance the Company's reputation.
A5	Finance Acumen	Ability to comprehend, interpret and guide on financial management, reporting, controls, and analysis.
A6	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.

In **Table 3** below, the specific areas of focus or expertise of individual Board members are highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills.

Table 3: Areas of Expertise

Name of the Directors	Areas of Expertise					
	A1	A2	A3	A4	A5	A6
Mr. B. N. Kalyani	√	√	√	√	√	√
Mr. Amit Kalyani	√	√	√	√	√	√
Mr. B. P. Kalyani	√	√	√	-	-	√
Mr. S. E. Tandale	√	√	√	√	√	√
Mr. Ashish Bharat Ram	√	√	-	-	√	√
Mr. K. B. S. Anand	√	√	-	√	√	√
Mr. Dipak Mane	√	√	√	√	-	√
Mr. Anand Pathak	√	√	-	-	-	√
Ms. Sonia Singh	√	√	-	√	-	√
Ms. Rashmi Joshi	√	-	-	-	√	√

IV. BOARD COMMITTEES

In compliance with the provisions of the Act and the Listing Regulations, the Board has constituted 5 mandatory and 1 voluntary committee, details of which are mentioned below. The Chairperson of the respective committee informs the Board of the summary of the discussions held in the committee meetings and recommendations of the committees are submitted to the Board for approval. The minutes of the meetings of all committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. During the year, all recommendations of the committees were approved by the Board. The Company Secretary acts as the secretary of all the Board Committees.

BOARD COMMITTEES AS ON 31ST MARCH 2026

Audit Committee
- **Mr. K. B. S. Anand** Chairperson, Independent Director
- **Ms. Rashmi Joshi** Independent Director
- **Mr. Ashish Bharat Ram** Non-Executive Non-Independent Director

Nomination & Remuneration Committee
- **Mr. Dipak Mane** Chairperson, Independent Director
- **Mr. Ashish Bharat Ram** Non-Executive Non-Independent Director
- **Ms. Sonia Singh** Independent Director
- **Ms. Rashmi Joshi** Independent Director

Corporate Social Responsibility Committee
- **Mr. B.N. Kalyani** Chairperson, Executive Director
- **Mr. Amit Kalyani** Executive Director
- **Mr. Anand S. Pathak** Independent Director
- **Mr. K.B.S Anand** Independent Diretctor

Stakeholders Relationship Committee
- **Mr. Anand Pathak** Chairperson, Independent Director
- **Mr. B.N. Kalyani** Executive Director
- **Mr. Amit Kalyani** Executive Director
- **Ms. Sonia Singh** Independent Director

Risk Management Committee
- **Mr. B.N. Kalyani** Chairperson, Excecutive Director
- **Mr. Amit Kalyani** Executive Director
- **Mr. Ashish Bharat Ram** Non-Executive Non-Independnet Director
- **Ms. Rashmi Joshi** Independent Director

Environmental, Social & Governance Committee
- **Mr. Amit Kalyani** Chairperson, Executive Director
- **Mr. Dipak Mane** Independent Director
- **Ms. Sonia Singh** Independent Director

1. Audit Committee

Terms of Reference

The primary roles/responsibilities of the Audit Committee are:

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 to Statutory Auditors for any other services rendered by the Statutory Auditors;

d. Reviewing with the management the quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval;

e. Reviewing with the management, the statement of uses/application of funds raised through an issue; and

f. Approval or any subsequent modification of transactions of the Company with related parties.

The detailed terms of reference pursuant to the provisions of the Listing Regulations and in accordance with the Act are placed on the website of the Company at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/tr-audit-committee.pdf

2. Nomination and Remuneration Committee

Terms of Reference

The primary roles/responsibilities of the Nomination and Remuneration Committee are:

a. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend a remuneration policy to the Board, for the Directors, Key Managerial Personnel and other employees;

b. 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 evaluate every Director's performance;

c. To extend or continue the term of appointment of the Independent Director based on the performance report of the Independent Director;

d. To formulate criteria for evaluation of performance of the Independent Directors and Board of Directors; and

e. To devise a policy on diversity of the Board of Directors.

The Nomination and Remuneration Policy of the Company, along with the terms of reference of the committee, is available on the Company's website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/NRC-Policy.pdf

Reward Philosophy

At Bharat Forge, our Total Rewards Philosophy is a cornerstone of our corporate governance framework, integrating our business and people strategies with a commitment to fair, competitive, and tailored remuneration. We ensure our rewards practices remain aligned with external market benchmarks and internal equity while complying with regulations and balancing employer affordability with employee expectations. Our holistic approach extends beyond salary increments to include career advancement opportunities, global mobility initiatives, higher education support, and a robust recognition programme that celebrates top performers. Underpinning these efforts is our dedication to the three Cs — Competitiveness, Contextualisation, and Cause — ensuring that every reward is not only market-competitive but also personalised and aligned with the broader values and aspirations of our workforce.

Complementing this framework, our Variable Pay Policy and Long-Term Cash Incentive (LTCI) plan are meticulously engineered to incentivise both short-term performance and long-term commitment. The Variable Pay Policy rewards individuals for exceptional contributions and organisational milestones, linking performance outcomes to substantial earning opportunities. In parallel, the LTCI plan, through a comprehensive appraisal process, balanced scorecard approach, and leadership review, attracts, retains, and motivates high-potential talent by connecting individual and company growth with long-term financial prosperity. Together, these mechanisms drive performance excellence while strengthening a sustainable connection between our employees and the overall success of the organisation.

3. Corporate Social Responsibility (CSR) Committee

Terms of Reference

The primary roles/responsibilities of the Corporate Social Responsibility Committee are:

a. To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Act, including a statement containing the approach and direction given by the Board, guiding principles for selection, implementation and monitoring of CSR projects/programmes, as well as formulation of the Annual Action Plan;

b. To recommend to the Board, the Annual Action Plan in accordance with the applicable laws;

c. To recommend the amount of expenditure to be incurred on the CSR projects/programmes, a list of projects to be undertaken within the purview of Schedule VII of the Act,

d. To monitor the progress of the Annual Action Plan and the multi-year programmes, their manner of execution, modalities of fund utilisation, project implementation schedules, reporting mechanism along with details of need and impact assessment for projects as required, etc.;

e. To monitor the CSR Policy of the Company from time to time; and

f. 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 policy of the Company, including the terms of reference, is disclosed on the Company's website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/BFL-CSR-Policy_Combined.pdf

4. Stakeholders Relationship Committee

Terms of Reference

The primary roles/responsibilities of the Stakeholder Relationship Committee are:

a. To specifically look into the redressal of grievances of shareholders, debenture holders and other securities holders;

b. To consider and resolve the grievances of the securities holders of the Company, including complaints related to transfer/transmission 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. To 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. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the security shareholders of the Company.

The detailed terms of reference are disclosed on the Company's website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/tr-stakeholders-relationship-committee.pdf

Number of complaints received and redressed during the year 2025-26

The summary of the Investor Complaints received and redressed is mentioned below:

Table 4: Summary of Investor Complaints

Number of complaints outstanding as on April 1, 2025	0
Number of complaints received during the year ended March 31, 2026	24
Number of complaints resolved during the year ended March 31, 2026	22
*Number of complaints pending as on March 31, 2026	2

* The pending complaints were resolved on April 4, 2026 and April 8, 2026 within the statutory time limit.

5. Risk Management Committee

Terms of Reference

The primary roles/responsibilities of the Risk Management Committee are:

a. To formulate a detailed risk management policy and a business continuity plan;

b. To formulate a framework for the identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee;

c. To formulate measures for risk mitigation, including systems and processes for internal control of identified risks/ monitor and overseeing implementation of the risk management policy/evaluating the adequacy of risk management systems;

d. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company; and

e. To monitor, oversee implementation and periodically review the risk management policy, at least once in two years, considering the changing industry dynamics and evolving complexity;

The detailed terms of reference are disclosed on the Company's website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/risk-management-policy.pdf

6. Environmental, Social and Governance Committee

The Company has voluntarily constituted an Environmental, Social and Governance ("ESG") Committee to support and improve the Company's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company.

Terms of Reference

The primary roles/responsibilities of the Environmental, Social and Governance Committee are:

a. To guide the Board in developing and implementing the ESG strategy, initiatives and policies for the Company.

b. To review emerging risks and opportunities associated with ESG issues related to the Company that have the potential to impact the reputation and business performance of the Company in consultation with the Risk Management Committee of the Board.

c. To ensure that the Company is taking appropriate measures to implement actions to further its ESG strategy. The Committee shall have access to any internal information necessary to fulfil its role in this regard.

d. To review and oversee the development and implementation of targets, standards and metrics established by management to assess and track the Company's ESG performance.

e. To review any statutory requirements for sustainability reporting, including reporting under the Annual Report of the Company.

With the growing significance of ESG, the Company has maintained its focus on the initiatives around sustainability and value creation for stakeholders. During the year, the ESG committee ensured the sustenance of its initiatives towards sustainable development to remain a responsible organisation. The Company's reported performance against its ESG goals is a testament to its unwavering commitment to compliance, resource efficiency, climate action, human capital development, customer satisfaction, sustainable supply chains and support for nearby communities.

Table 5: Number of Committee Meetings held and attendance record: -

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Environmental, Social and Governance Committee
No. of meetings held	7	7	1	2	2	1
Date of meetings	• April 17, 2025 • May 8, 2025 • June 30, 2025 • August 6, 2025 • November 11, 2025 • January 28, 2026 • February 12, 2026	• May 8, 2025 • June 3, 2025 • August 7, 2025 • November 10, 2025 • February 12, 2026 • February 19, 2026 • March 6, 2026	• May 8, 2025	• May 7, 2025 • November 11, 2025	• April 17, 2025 • November 10, 2025	• January 28, 2026
Name of Member	**No. of Meetings Attended**					
Mr. B. N. Kalyani	-	-	1	2	2	-
Mr. Amit Kalyani	-	-	1	2	2	1
Mr. Ashish Bharat Ram	3	5	-	-	2	-
* Mr. K.B.S Anand	7	-	-	2	-	-
Mr. Dipak Mane	-	7	-	-	-	1
Mr. Anand Pathak	-	-	1	2	-	-
* Ms. Sonia Singh	-	7	1	-	-	1
Ms. Rashmi Joshi	7	7	-	-	2	-
# Mr. Ravi Kapoor	4	-	-	-	-	-
Whether a quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings					

* Reappointed as an Independent Director of the Company w.e.f. June 27, 2025.

\# Ceased to be an Independent Director of the Company w.e.f. September 30, 2025 due to resignation.

Functional Committee

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

Compliance Officer

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

Senior Management

Particulars of Senior Management, including the changes therein since the close of the previous financial year, are as mentioned below:

Table 6: Particulars of Senior Management

Sr. No.	Name	Designation	Changes during the year, if any	Nature of change
1)	Mr. Guru Biswal	Chief Executive Officer–Aerospace Business	No	-
2)	Mr. Sumeet Banga	President and CEO–Industrial Business	Yes	Ceased to be senior management personnel w.e.f. February 12, 2026 as he was transferred to a subsidiary of Company.
3)	Mr. Yogesh Zope	Chief Information Officer	No	-
4)	Mr. Kedar Dixit	Chief Financial Officer	No	-
5)	Mr. S. Rajhagopalan	Vice President - Investor Relations	No	-
6)	Mr. Muthumohanraj R. M.	Vice President – Lightweighting Technology	No	-
7)	Mr. Nitin Shesh	Vice President - Internal Audit & Assurance	No	-
8)	Ms. Tejaswini Chaudhari	Company Secretary and Compliance Officer	No	-
9)	Mr. Krishnan Iyer	President and COO – Manufacturing Operations	Yes	Ceased to be senior management personnel w.e.f. April 2, 2025 due to resignation
10)	Mr. Srinivasu Malladi	Sr. Vice President and CHRO - Human Resources	No	-
11)	Mr. Laxmiprasad Jahagirdar	President and COO – Manufacturing Operations	Yes	Designated as senior management personnel w.e.f. November 11, 2025

Remuneration paid or payable to Directors for the year ended March 31, 2026 and relationships of the Directors with each other

a) Non-Executive Directors

Table 7: Remuneration paid or payable to Non-Executive Directors

In ₹

Name of the Director	Relationship with other Directors*	Sitting Fees**	Commission***	Total
Mr. Ashish Bharat Ram	None	1,150,000	4,600,000	5,750,000
Mr. K. B. S. Anand	None	1,300,000	5,200,000	6,500,000
Mr. Dipak Mane	None	900,000	3,600,000	4,500,000
Mr. Anand Pathak	None	650,000	2,600,000	3,250,000
Ms. Sonia Singh	None	950,000	3,800,000	4,750,000
Ms. Rashmi Joshi	None	1,650,000	6,600,000	8,250,000
Mr. Ravi Kapoor	None	700,000	2,800,000	3,500,000

b) Executive Directors

Table 8: Remuneration paid or payable to Executive Directors

In ₹

Name of the Director	Relationship with other Directors*	Salary & Perquisites$	Provident Fund & Superannuation Fund	Long Term Cash Incentive (LTCI)	Commission***	Total
Mr. B. N. Kalyani (Chairman and Managing Director)	Father of Mr. Amit Kalyani	205,725,923	52,113	-	120,000,000	325,778,036
Mr. Amit Kalyani	Son of Mr. B. N. Kalyani	67,444,618	4,696,326	-	70,000,000	142,140,944
Mr. B. P. Kalyani	None	35,467,424	1,953,891	2,400,000	20,500,000	60,321,315
Mr. S. E. Tandale	None	39,720,259	2,220,210	3,500,000	21,500,000	66,940,469

Notes (for Table 7 & 8):

* 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 AGM.

$ Does not include post-retirement benefits as per Shareholders' approval.

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

The remuneration payments in the Company are made to reward performance, based on a review of achievements. Payment of commission to Non-Executive Directors is decided based on multiple criteria, including 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.

Table 9: Details of Equity Shares of the Company held by Directors as on March 31, 2026, are as mentioned in the table below:

Name of the Director	Number of equity shares held of ₹ 2/- each
Mr. B. N. Kalyani	78,150
Mr. Amit Kalyani	700,350
Mr. B. P. Kalyani	6,510
Mr. S. E. Tandale	208

Other Directors do not hold any equity shares of the Company. The Company does not have any convertible instruments as on March 31, 2026.

The tenure of the office of the Managing Director and Whole-time Directors is for 5 (five) years. The Board has the 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 the last three Annual General Meetings

Financial year ended	March 31, 2025	March 31, 2024	March 31, 2023
Day and Date of AGM	Thursday, August 7, 2025	Friday, August 9, 2024	Thursday, August 10, 2023
Venue	Conducted through video conferencing/other audio-visual means		
Time	11.00 a.m. (I.S.T.)	11:00 a.m. (I.S.T)	11:00 a.m. (I.S.T)
Special Resolutions Passed	Enhance limits under Section 180(1)(a) of the Companies Act, 2013 for the creation of mortgage and/or charge	Appointment of Mr. Anand Pathak (DIN: 01529308) as an Independent Director of the Company.	None

No Extraordinary General Meeting of the Members was held during the year 2025-26.

Postal Ballot

During the year 2025-26, the Company passed two (2) resolutions by way of postal ballot as mentioned below:

Table 11: Details of Postal Ballot

Date of Postal Ballot notice	Particulars of the resolution passed	Approval date	Scrutiniser	Voting results
May 8, 2025	Special Resolution for re-appointment of Mr. K.B.S. Anand (DIN: 03518282) as an Independent Director of the Company. Special Resolution for re-appointment of Ms. Sonia Singh (DIN: 07108778) as an Independent Director of the Company.	Thursday, June 19, 2025	CS Sridhar Mudaliar, Partner of SVD & Associates (Membership No. FCS 6156) (CP No. 2664), Practising Company Secretaries	https://www.bharatforge.com/investors/shareholders-information/agm-postal-ballot-voting-results

Procedure for Postal Ballot

All postal ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder, Regulation 44 of the Listing Regulations and applicable circulars issued by the MCA and SEBI from time to time.

Special Resolutions proposed to be conducted through Postal Ballot

There are no Special Resolutions proposed to be 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 the policy for related party transactions and it is available on the Company's website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/RPT-policy.pdf

   None of the transactions with any of the related parties conflicted with the interests of the Company. The attention of the Members is drawn to the disclosure set out in **Note No. 39** of the Standalone Financial Statements.

2. **Loans and Advances to Firms/Companies in which directors are interested**

   The details of loans and advances given during the year as well as outstanding as on the year ended March 31, 2026 are covered under **Note No. 42**, under the head 'Loans and advances in the nature of loans given to subsidiaries/ associates and firms/companies in which directors are interested', forming part of Notes to Standalone Financial Statements.

3. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years**

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

   a) The National Stock Exchange of India Limited ("NSE") vide letter dated October 3, 2023 had imposed a penalty of ₹ 10,000/- for delayed intimation of record date for payment of interest and redemption of principal (in part) of Non-convertible Debentures ("NCDs") to NSE pursuant to Regulation 60(2) of the Listing Regulations, which the Company paid within the prescribed time.

   b) The NSE and BSE Limited (BSE), vide its letter/email dated November 21, 2024 had imposed a penalty of ₹ 159,300 (inclusive of GST) for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015.

   c) The NSE and BSE Limited (BSE), vide its letter/email dated March 17, 2025 had imposed a penalty of ₹ 531,000 (inclusive of GST) for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015, which the Company paid within the prescribed time. The non-compliance w.r.t. composition of Board was consequential due to the delay in receipt of approval from MHA & DPIIT which was beyond the control of the listed entity.

   d) The National Stock Exchange of India Limited ("NSE") vide letter dated April 30, 2026 had imposed a penalty of ₹ 10,000/- for delayed intimation of record date for payment of interest of Non-convertible Debentures ("NCDs") to NSE pursuant to Regulation 60(2) of the Listing Regulations, which the Company paid within the prescribed time.

4. **Establishment of Vigil/Whistle Blower Mechanism**

   The Company's Whistle Blower mechanism provides a secure framework through which directors, employees and all stakeholders of the Company can voice their concerns about any illegal or unethical behaviour, actual or suspected fraud or violations of the Company's codes or policies. No person has been denied access to the Audit Committee and all the stakeholders of the Company and its subsidiaries are encouraged to raise their concerns.

   The Whistle Blower Policy/Vigil Mechanism is available on the Company's website at the link: https://www.bharatforge.com/assets/pdf/investor/download/Whistle_Blower_Policy_05.05.2023_Website_new.pdf

5. **Policy on determining Material Subsidiaries**

   This Policy has been framed in accordance with the requirements of Regulation 16 of the Listing Regulations (including statutory enactments/amendments thereof). It is intended to identify material subsidiaries and establish a governance framework for such subsidiaries. The policy details on determining material subsidiaries have been disclosed on the Company's website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/Policy-on-Material-Subsidiary.pdf

6. **Disclosure of Accounting Treatment**

   In preparing the financial statements, the Company has followed the Accounting Standards 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.

7. **Risk Management**

   The Company has a well-defined Risk Management framework that includes a risk management policy, risk management processes and risk governance. We have set up an Internal Audit and Assurance team which is responsible for working towards effective risk management, which involves establishing clear policies, procedures, and controls, fostering a culture of risk awareness and accountability across all levels of the organisation, and regularly monitoring and adapting strategies in response to evolving threats and market dynamics.

The Company has adopted the Enterprise Risk Management (ERM) framework that enables it to proactively identify, assess, and manage risks across all levels and functions. By integrating risk management into strategic decision-making processes, ERM helps anticipate and mitigate potential threats while capitalising on growth opportunities. Through proactive risk management, the Company aims to navigate uncertainties with resilience, ensuring long-term sustainability and success. Business risk evaluation and management being an ongoing process within the Company, the assessment is periodically examined by the Board.

8. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

The Company has managed foreign exchange risk through appropriate hedging activities in accordance with the policies. 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 is detailed in **Note No. 53**, under the head 'Financial risk management objectives and policies', forming part of Notes to Financial Statements.

9. CEO/MD and CFO Certification

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

10. Certificate from Practising Company Secretary

The Company has obtained a Certificate dated May 7, 2026, from the Practising 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 SEBI, MCA or any such Authority and the same is enclosed as **Annexure B.**

11. Code of Conduct

The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management. 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/investors/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 Integrated Annual Report.

12. Subsidiary Companies

The Audit Committee reviews the Company's quarterly financial statements and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Company's Board of Directors. The Company has a policy for determining material subsidiaries which is disclosed on its website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/Policy-on-Material-Subsidiary.pdf

13. Disclosure by Management to the Board

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

14. Complaints pertaining to sexual harassment

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment are provided in the Board's Report and Business Responsibility and Sustainability Report of this Integrated Annual Report.

15. Details of material subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the statutory auditors of subsidiaries

Table 12: Details of material subsidiaries

Sr. No.	Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of appointment of Statutory Auditors
1	Bharat Forge International Limited	December 3, 2010	London	Eacotts & Eacotts International Limited	May 2, 2023
2	Bharat Forge CDP GmbH	August 24, 2015	Ennepetal	WUP Truehand GmbH	September 5, 2025
3	Bharat Forge America Inc.	March 22, 2005	Delaware	BSR & Co. LLP	February 12, 2026

16. 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 are a part, are given in **Table 13** below:

Table 13: Total fees for all services paid by the Company and its material subsidiaries

Particulars	₹ (in million)
BSR & Co LLP	
Audit Fee	14.14
Audit Fee related to subsidiary companies	18.42
Limited Review	8.06
Others (including certification fees)	3.00
Reimbursement of Expenses	2.87
Sub Total (A)	**46.49**
KPMG Assurance and Consulting Services LLP	
Others (including certification fees)	2.54
Sub Total (B)	**2.54**
KPMG S.A.	
Audit Fee	3.80
Sub Total (C)	**3.80**
Total (A+B+C)	**52.83**

VII. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

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

1. Audit Qualification

The auditors' report on the Company's financial statements is unmodified.

2. Reporting of Internal Auditors

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

VIII. MEANS OF COMMUNICATION

The Company regularly presents vital information about the Company and its performance, including quarterly results, official news releases and communication to investors and analysts on the Company's website: www.bharatforge.com, for the benefit of the public at large.

During the year, the Company's quarterly, half-yearly and annual results have been published in leading newspapers, such as Financial Express – English (all editions) and Loksatta – Marathi (Pune). Press releases, media releases and presentations made to institutional investors or analysts are sent to the Stock Exchanges.

1. Website

The Company's website contains a dedicated section titled "Investors". The basic information about the Company, as called for in terms of Regulation 46 and Regulation 62 of the Listing Regulations, is provided on the Company's website: www.bharatforge.com and the same is updated from time to time.

The Company's website www.bharatforge.com provides updated and comprehensive information on the Company's portfolio of businesses, CSR and sustainability initiatives, shareholding pattern, key Company Policies, and contact details to assist investors and handle investor grievances. The website has sections dedicated to the Company's profile, history and evolution, its core values, corporate governance and leadership. The section on "Investors" serves to inform and serve shareholders, enabling them to access information at their convenience. The "Media" section includes all major media releases from the Company and relevant media reports.

2. Presentations to Institutional Investors/Analysts

Detailed presentations on the Company's unaudited quarterly financial results and annual audited financial results are made to Institutional Investors and Financial Analysts. Copies of the said presentations are available on the Company's website at https://www.bharatforge.com/investors/shareholders-information/notices.

3. Filing with Stock Exchanges

Information to Stock Exchanges is filed online on the NSE Electronic Application Processing System ("NEAPS")/National Stock Exchange of India ("NSE") Listing Centre for NSE and Bombay Stock Exchange ("BSE") Listing Centre for BSE.

4. Annual Report

An Integrated 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 and Sustainability Report (BRSR) form part of the Integrated Annual Report and are displayed on the Company's website: 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: Tuesday

Date: August 11, 2026

Time: 11 a.m.

Venue: Through Video Conferencing

3. Financial Year

April 1, 2025 to March 31, 2026

4. Financial Reporting Calendar (Tentative) for FY 2026-27

Quarter ending June 30, 2026	on or before August 14, 2026
Quarter ending September 30, 2026	on or before November 14, 2026
Quarter ending December 31, 2026	on or before February 14, 2027
Audited results for the financial year 2026-2027	on or before May 30, 2027

5. Dividend

The Board has recommended a Final Dividend of ₹ 6.50/- (Rupees Six and Fifty Paise Only) per equity share of ₹ 2/- each (325%) for the year ended March 31, 2026, which, if approved, shall be paid on or after August 14, 2026. The Company has a policy for Dividend Distribution which is disclosed on its website at the link: https://www.bharatforge.com/assets/pdf/corporateGovernance/Dividend-Distribution-Policy.pdf

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') mandates that companies shall transfer dividends that have remained unclaimed for a period of Seven (7) 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 a dividend has not been paid or claimed for Seven (7) consecutive years or more be transferred to the IEPF. The details are given in **Table 14**, below:

Table 14: Details of unpaid dividends and their corresponding shares that would become eligible to be transferred to IEPF on the dates mentioned below:

Financial Year	Type of Dividend	Dividend per share (₹)	Date of Declaration	Last date for claiming unpaid dividend	Amount (₹)*
2017-18	Final	2.50	August 9, 2018	September 11, 2025	NIL (amount transferred to IEPF)
2018-19	Interim	2.50	November 2, 2018	December 4, 2025	NIL (amount transferred to IEPF)
2018-19	Final	2.50	August 13, 2019	September 12, 2026	2,216,842.50
2019-20	Interim-I	1.50	November 8, 2019	December 12, 2026	1,620,492.00
2019-20	Interim-II	2.00	February 24, 2020	March 24, 2027	2,433,014.00
2020-21	Final	2.00	August 13, 2021	September 13, 2028	1,820,351.00
2021-22	Interim	1.50	November 12, 2021	December 12, 2028	1,229,734.00
2021-22	Final	2.00	August 12, 2022	September 13, 2029	3,934,812.50
2022-23	Interim	1.50	November 14, 2022	December 20, 2029	1,105,352.50
2022-23	Final	5.50	August 10, 2023	September 11, 2030	3,792,753.00
2023-24	Interim	2.50	February 12, 2024	March 19, 2031	1,460,197.50
2023-24	Final	6.50	August 09, 2024	September 09, 2031	8,375,273.00
2024-25	Interim	2.50	February 12, 2025	March 21, 2032	2,726,671.00
2024-25	Final	6.00	August 7, 2025	September 13, 2032	7,119,227.00
2025-26	Interim	2.00	February 12, 2026	March 18, 2033	58,557,905.00

* Amount unclaimed as on March 31, 2026

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 transferred the following unpaid/unclaimed dividends to IEPF:

1. ₹ 2,484,390/- (Rupees Twenty-Four Lakhs Eighty-Four Thousand Three Hundred Ninety Only) on October 9, 2025.
2. ₹ 2,100,382.50/- (Rupees Twenty-One Lakhs Three Hundred and Eighty-Two and Fifty Paise Only) on January 8, 2026.

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 dividends for 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF during the financial year 2025-26. An 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: https://www.bharatforge.com/investors/shareholders-information/IEPF

During the year, the Company has transferred to Demat account of the IEPF Authority the following shares. The shares transferred were on account of unclaimed dividends for 7 (seven) consecutive years:

(i) 74,821 equity shares of ₹ 2/- each on October 11, 2025.

(ii) 24,210 equity shares of ₹ 2/- each on January 21, 2026.

Equity Shares in Suspense Account

In compliance with Regulation 39(4) of the Listing Regulations, the Company reports the details in respect of equity shares lying in the suspense account as given in **Table 15**.

Table 15: Equity Shares lying in the Suspense Account

Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/- each
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2025	51	47,950
No. of shareholders who approached the Company for transfer of shares from suspense account during the year	3	4,800
No. of shareholders to whom shares were transferred from the suspense account during the year	3	4,800
No. of shares transferred to Demat Account of the IEPF Authority during the year	-	-
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2026	48	43,150

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

7. Securities listed on Stock Exchanges

Table 16: Listing details

(a) Equity Shares

Stock Exchanges	Securities (ISIN)	Stock code
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	Equity Shares (INE465A01025)	500493
National Stock Exchange of India Limited ('NSE') Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India	Equity Shares (INE465A01025)	BHARATFORG

(b) Non-Convertible Debentures

Stock Exchanges	Securities (ISIN)	Stock code	Debenture Trustee
National Stock Exchange of India Limited ('NSE') Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India	Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures (INE465A08038)	BHFG27	**AXIS TRUSTEE SERVICES LIMITED** Address: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar (W), Mumbai, 400 028 Contact No: 022-6230 0451 E-mail: debenturetrustee@axistrustee.in

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

8. Share Transfer Agents, Share Transfer and Demat System

The Company has engaged the services of registrar and share transfer agent M/s. MUFG Intime India Pvt. Ltd. (erstwhile Link Intime India Pvt Ltd) ("RTA") for the equity shares listed on NSE and BSE in addition to the debentures, which are listed on NSE. All the requests relating to transfer, transmission, splitting of Share certificates, dematerialisation and rematerialisation processing, payment of dividend, etc. are done by the share transfer agent. Pursuant to the SEBI circular dated January 25, 2022 (subsequently amended by Master Circular dated June 23, 2025), securities of the Company shall be issued in dematerialised form only while processing service requests in relation to the issue of duplicate securities certificates, renewal/exchange of securities certificates, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. The Company's equity shares are traded on the Stock Exchanges compulsorily in the Demat mode segment. The Board's Executive Committee meets as and when required to deal with matters concerning the securities of the Company.

As per Regulation 40 of the Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialised form, with effect from April 1, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

The SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024 upon completion of all the documents/details in entirety as mentioned above. Shareholders may refer to details at RTA's web link at https://in.mpms.mufg.com/home-KYC.html and also at the Company's website at the link: https://www.bharatforge.com/investors/shareholders-information/shareholder-download

The shareholders, holding shares in physical form, are requested to update this information/details at the earliest to get the timely payment of the proposed dividend and also the dividend for the earlier years, if any, remaining unclaimed.

9. Non-Compliance with any requirement of the Corporate Governance Regulation.

During the year, the Company has complied with the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

10. Reconciliation of Share 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 depositories, NSDL and CDSL and in physical form, duly certified by a qualified Practising Company Secretary, to the stock exchanges where the Company's securities are listed. This certificate is also placed periodically before the Company's Board of Directors at its Board Meetings.

11. Code of Conduct for Prevention of Insider Trading Practices

The Company has adopted a Comprehensive Code of Conduct for the 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 procedures to be followed and disclosures to be made by insiders while trading in the Company's securities. It also includes practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company has an online tool in place to ensure compliance with the provisions of the SEBI PIT Regulations and the Code of Conduct for Prevention of Insider Trading. During the year, online modules/videos have been introduced which include regulatory requirements and roles and responsibilities of Designated Persons. The periodic awareness sessions are conducted for Designated Persons to ensure the provisions of the SEBI PIT Regulations are complied with in the true letter and spirit.

12. Shareholding as on March 31, 2026

Table 17: Pattern of shareholding by ownership as on March 31, 2026

Category of Shareholders	No. of Shareholders	No. of Shares held (₹ 2/- each)	Shareholding %
Promoters[1]	**27**	**210,703,624**	**44.07**
Public[2]	**228,129**	**267,385,008**	**55.93**
A. Institutions			
Mutual Funds (including Unit Trust of India)	33	100,649,646	21.05
Alternate Investment Funds	17	553,218	0.12
Financial Institutions/Banks	8	374,712	0.08
Insurance Companies	27	40,233,508	8.42
Provident Funds/Pension Funds	1	14,100,561	2.95
Sovereign Wealth Funds	2	725,436	0.15
NBFCs registered with the RBI	3	7,215	0.00
Foreign Portfolio Investors	515	67,667,198	14.15
Central Government/State Government(s)/ President of India	0	0	0.00
B. Non-Institutions			
Directors and their relatives	5	18,018	0.00
Key Managerial Personnel	1	20	0.00
Investor Education and Protection Fund (IEPF)	1	841,850	0.18
Individuals (Resident, Non-Resident Individuals and Foreign Nationals)	223,311	37,487,911	7.84
Others	4,205	4,725,715	0.99
Non-Promoter-Non-Public Shareholder	0	0	0.00
Total	**228,156**	**478,088,632**	**100.00**

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

Table 18: Distribution Schedule as on March 31, 2026

Category (Shares)	Number of shareholders*	Number of shares held of ₹ 2/- each	Shareholding %
1 to 500	222,951	10,304,980	2.16
501 to 1000	4,417	3,387,322	0.70
1001 to 2000	2,412	3,568,055	0.74
2001 to 3000	954	2,412,847	0.50
3001 to 4000	523	1,847,523	0.39
4001 to 5000	376	1,719,920	0.36
5001 to 10000	786	5,691,146	1.20
10001 and above	1,059	449,156,839	93.95
Total	**233,478**	**478,088,632**	**100.00**

* Number of Shareholders without clubbing the PAN for Public shareholding

13. Dematerialisation of Shares and Liquidity

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2026, dematerialised shares accounted for 97.39% (97.32% as on March 31, 2025) of total equity share capital. The details of dematerialisation are given in **Table 19** below.

Table 19: Dematerialisation of Shares as on March 31, 2026

Particulars	Position as on March 31, 2026		Position as on March 31, 2025		Net Change during 2025-26	
	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding
Physical	12,496,438	2.61	12,808,476	2.68*	(312,038)	(2.44)
Demat:						
NSDL	446,883,759	93.48	448,088,885	93.72	(1,205,126)	(0.27)
CDSL	18,708,435	3.91	17,191,271	3.60	1,517,164	8.83
Sub- Total	**465,592,194**	**97.39**	**465,280,156**	**97.32**	**312,038**	**0.07**
Total	**478,088,632**	**100**	**478,088,632**	**100**	**-**	**-**

* Note: In connection with Promoter shareholding in physical mode, we wish to inform that the Company had earlier, vide its letters dated March 15, 2016 to the BSE Limited and National Stock Exchange of India Limited, requested to grant an exemption from maintaining 100% Promoters' shareholding in dematerialised form pursuant to the SEBI Circular no. CIR/CFD/CMD/13/2015 dated November 30, 2015. The Company has been informed that the matter relating to the dematerialisation of shares of the Company held by 10 promoter group companies in physical form would not be possible as the matter is sub judice pursuant to a probate petition being Special Civil Suit No. 1036/2025 filed before the Hon'ble Civil Judge Senior Division, Pune. The Company has, on February 21, 2024, submitted further documentation with respect to the exemption application in response to an enquiry from BSE Limited and forwarded the same to SEBI official(s) in this regard.

Table 20: 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 (₹)
2025-26	NIL	NIL
2024-25	1,650 Cr. through the issue of shares to QIP.	12,500,000 equity shares were allotted to 95 QIPs, thereby increasing the paid-up share capital by 25,000,000
2023-24	NIL	NIL

Table 20A: The details of the utilisation of QIP proceeds and pending utilisation as of March 31, 2026:

Particulars	Amount ₹ (in million)
QIP Proceeds	16,500.00
Less: Utilised for issue expenses	(281.32)
Net QIP proceeds available	**16,218.68**
Investment in subsidiaries for repayment of loans*	
US Subsidiaries (BFA & BF Alu)	(5,493.47)
European subsidiaries (CDP & BFAT)	(3,377.58)
Kalyani Powertrain	(1,245.00)
JS Auto	(180.00)
Sub total	**(10,296.05)**
Acquisition of K Drive Mobility Solutions Private Limited (Previously known as AAM India Manufacturing Corporation Private Limited)	5,500.39
General corporate purpose	**(422.25)**
Balance funds parked with banks as on March 31, 2026	**NIL**

* Interest cost savings of about ₹ 650 million on an annualised basis

14. Plant Locations:

The Company is running its diversified businesses from different manufacturing units located as follows:

Table 21: Plant Locations

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

15. Investor Correspondence Address:

Shareholders may note that the share transfers, dividend payments and all other investor-related activities are attended to and processed at the office of the Company's RTA. For any grievances/complaints, shareholders may contact the RTA, MUFG Intime India Pvt. Ltd. at the following address:

Registrar and Transfer Agents (RTA):
MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited)
C101, Embassy 247 Park, L B S Marg,
Vikhroli (West), Mumbai 400083
Contact No-+91 810 811 6767
Email: investor.helpdesk@in.mpms.mufg.com

For any escalations, shareholders may write to the Company at secretarial@bharatforge.com.

For addresses and contact details for investor queries, RTA, depository banks, depositories for equity shares in India and stock exchanges, please refer to the Investor contacts section on the Company website.

16. Credit Ratings

The Credit Ratings of the Company for all the credit facilities as on March 31, 2026, are given below in **Table 27:**

Table 22: Credit Ratings given to the Company

Sr. No.	Particulars	ICRA Rating	CARE Rating
1.	Long-Term – Fund-bsed/Working Capital Facilities	[ICRA]AA+(Stable); reaffirmed	CARE AA+; Stable reaffirmed
2.	Long-Term/Short-Term – Fund-based/ Term Loan	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed	CARE AA+ (Stable); reaffirmed/ CARE A1+; reaffirmed
3.	Non-Fund-based Facilities	[ICRA]A1+; reaffirmed	CARE A1+; reaffirmed
4.	Issuer Rating	[ICRA]AA+(Stable); reaffirmed	-
5.	Long-Term/Short-Term – Unallocated Limits	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed	CARE AA+ (Stable); reaffirmed/ CARE A1+; reaffirmed
6.	Long Term-Non-Convertible Debentures- Previously Rated Amount: ₹ 125.0 Crore - Current Rated Amount: ₹ 125.0 Crore	[ICRA]AA+ (Stable); reaffirmed	-
7.	Long-term–Non-convertible debentures - Previously Rated Amount: ₹ 700.0 Crore - Current Rated Amount: ₹ 0.0 Crore	[ICRA] AA+ (Stable); reaffirmed and withdrawn	Withdrawn

17. Disclosure of certain types of agreements binding listed entities

Pursuant to Regulation 30A of the Listing Regulations, agreements which have been executed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company during the financial year have been intimated to the stock exchanges from time to time.

18. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2026.

19. Compliance Certificate by the Practising Company Secretary on Corporate Governance

Certificate from the Practising Company Secretary, SVD & Associates, Company Secretaries, Pune, confirming compliance with the conditions of Corporate Governance, as stipulated under Listing Regulations, is enclosed as **Annexure C.**

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 Management Personnel have affirmed, for the year ended March 31, 2026, compliance with the Code of Conduct of the Company laid down for them.

Sd/-

B. N. KALYANI

Chairman and Managing Director
DIN: 00089380

Place: Pune
Date: May 7, 2026

ANNEXURE A

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) Regulations, 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 2025-26 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 2025-26 which are fraudulent, illegal or violate 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.

Sd/-
KEDAR DIXIT
Chief Financial Officer

Sd/-
B. N. KALYANI
Chairman and Managing Director
DIN: 00089380

Place: Pune
Date: May 7, 2026

ANNEXURE B

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bharat Forge Limited** bearing **CIN: L25209PN1961PLC012046** (hereinafter referred to as **the Company**), having registered office at Mundhwa, Pune Cantonment, Pune – 411036, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for **the Financial year ending on March 31, 2026** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of appointment
1	Mr. Babasaheb Neelkanth Kalyani	00089380	30/03/1993
2	Mr. Amit Babasaheb Kalyani	00089430	11/05/2009
3	^Mr. Basavraj Prabhakar Kalyani	00267202	23/05/2006
4	^Mr. Subodh Eknath Tandale	00266833	23/05/2006
5	Mr. Dipak Balasaheb Mane	01215889	21/06/2019
6	* Mr. Kanwar Bir Singh Anand	03518282	27/06/2022
7	* Ms. Sonia Singh	07108778	27/06/2022
8	Mr. Ashish Bharat Ram	00671567	01/09/2023
9	Mr. Anand Pathak	01529308	12/07/2024
10	Ms. Rashmi Satish Joshi	06641898	30/12/2024
11	# Mr. Ravi Kapoor	00185981	30/12/2024

Note:

* Mr. Kanwar Bir Singh Anand (DIN: 03518282) and Ms. Sonia Singh (DIN: 07108778) have been re-appointed as Non-Executive, Independent Directors of the Company for 2nd term for a period of 5 consecutive years w.e.f. June 27, 2025, vide Postal Ballot dated June 19, 2025.

\# Mr. Ravi Kapoor (DIN: 00185981) has ceased to be Non-Executive, Independent Director of the Company w.e.f. September 30, 2025.

^ Mr. Basavraj Prabhakar Kalyani (DIN: 00267202) and Mr. Subodh Eknath Tandale (DIN: 00266833) have been re-appointed as Whole-Time Directors (designated as Executive Directors) of the Company for a period of 5 consecutive years w.e.f. May 23, 2026, vide Postal Ballot dated April 22, 2026.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Peer Review No: 6357/2025
UDIN: F006156H000289065

Place: Pune
Date: May 07, 2026

Note: We have relied on the documents and evidence provided by electronic mode, for the purpose of issuing this certificate.

ANNEXURE C

CERTIFICATE FROM PRACTISING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members
Bharat Forge Limited

1. **Background**
   We have examined the compliance of conditions of Corporate Governance by **Bharat Forge Limited** (hereinafter referred to as **the Company**), for the **Financial year ended on March 31, 2026**, as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations).

2. **Management's Responsibility**
   The compliance of conditions of Corporate Governance is the responsibility of the management. The Management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. **Our Responsibility**
   Our responsibility was limited to conduct an examination of the procedures and implementation of systems adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

4. **Methodology**
   4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.

   4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Company to monitor and ensure compliance with the conditions of Corporate Governance and to report thereon.

5. **Opinion**
   In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the financial year ended on March 31, 2026.

6. **Disclaimer**
   We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We further state that this certificate 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.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Peer Review No: 6357/2025
UDIN: F006156H000289109

Place: Pune
Date: May 07, 2026

Note: We have relied on the documents and evidence provided by electronic mode, for the purpose of issuing this certificate.

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	**Corporate Identity Number (CIN) of the Listed Entity -**	L25209PN1961PLC012046
2.	**Name of the Listed Entity**	Bharat Forge Limited
3.	**Year of Incorporation**	1961
4.	**Registered office address**	Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.
5.	**Corporate address**	Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.
6.	**E-mail**	secretarial@bharatforge.com
7.	**Telephone**	+91-20-67042777
8.	**Website**	www.bharatforge.com
9.	**Financial year for which reporting is being done**	FY 2025-26
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited (NSE)/BSE Limited (BSE)
11.	**Paid-up Capital**	₹ 956.27 million
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report**	Mr. Yogesh Inamdar, Associate Vice President, Telephone: +91 020-67042740/ Email ID: yinamdar@bharatforge.com
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)**	The disclosures under this report are made on a standalone basis in conformance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
14.	**Name of assessment or assurance provider**	KPMG Assurance and Consulting Services LLP
15.	**Type of assessment or assurance obtained**	Reasonable Assurance

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Manufacturing	• Metal & Metal Products	96.43%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Steel Forgings	25910	96.43%
	Finished Machined Crankshafts	3099	
	Front Axles assembly and components		
	Road Wheel	29301	
	Transmission Parts	3798	
	Seal Rings, Clamp, Hub	3548	
	Automotive Lightweight Component	29301	

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National	5	8	13
International	0	0	0

* Offices indicated above are for sales and marketing purposes with minimal headcount. These are shared workspaces.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States & Union Territories)	23
International (No. of Countries)	35

b. What is the contribution of exports as a percentage of the total turnover of the entity?
47.78%

c. A brief on types of customers
Bharat Forge manufactures an extensive array of critical and safety components for several sectors, including Automobiles (across Commercial & Passenger Vehicles), Oil & Gas, Defence, Aerospace, Locomotives, Marine, Energy (across renewable and non-renewable sources), Construction, Mining and General Engineering. Bharat Forge continues to leverage its expertise built on 4 'M's (Metallurgy, Metal Forming, Manufacturing and Machining) and R&D capabilities to provide agile and adaptive solutions to its customers. Famous for world-class products for the Automobile Sector, making us one of the best automotive forging companies in India, the Company has a transcontinental presence spanning India, Germany, Sweden, France and North America. Bharat Forge is also a leading supplier of various components for the aviation sector, making it a renowned name amongst aerospace forging companies in India and around the world.

IV. EMPLOYEES

20. Details as at the end of the Financial Year

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2556	2484	97.18	72	2.82
2.	Other than Permanent (E)	293	262	89.42	31	10.58
3.	Total employees (D + E)	2849	2746	96.38	103	3.62
WORKERS						
1.	Permanent (F)	1398	1397	99.93	1	0.07
2.	Other than Permanent (G)	6376	6274	98.40	102	1.59
3.	Total Workers (F + G)	7774	7671	98.67	103	1.32

b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel*	9	1	11.11%

* Note: Key Management Personnel includes Senior Management as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

22. Turnover rate for permanent employees and workers

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.67%	23.88%	13.94%	8.96%	18.87%	9.17%	5.76%	20.93%	6.03%
Permanent Workers	0.50%	0.0%	0.50%	0.92%	0.0%	0.92%	1.19%	0.0%	1.19%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. a. Name of the holding/subsidiary/associate companies/joint ventures (A)

Please refer to Form AOC-1 annexed to the Financial Statements of the Annual Report for the above information.

The Company's subsidiaries, associates, and joint venture companies do not participate in its Business Responsibility initiatives.

VI. CSR DETAILS

24.

i. **Whether CSR is applicable as per Section 135 of the Companies Act, 2013:** Yes

ii. **Turnover:** ₹ 83956.78 million

iii. **Net worth:** ₹ 109882.35 million

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide a web-link for grievance redressal policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes https://www.bharatforge.com/contact-us/contact	0	0		0	0	-
Investors (other than shareholders)	NA	NA	NA		NA	NA	-
Shareholders	Yes As per SEBI Listing Regulations.	24	2*		25	0	All complaints resolved

* The pending complaints were resolved on April 4, 2026 and April 8, 2026 within the statutory time limit.

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide a web-link for grievance redressal policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Employees and workers	Yes http://bflapp.bharatforge.com/hronline/Pages/GrievancePolicy.aspx https://www.bharatforge.com/contact-us/contact#whistleblower	2	0		6	0	All complaints resolved
Customers	Yes https://www.bharatforge.com/contact-us/contact	64	5	Action taken against the pending complaints and are under monitoring by customers	59	0	All complaints resolved
Value Chain Partners	Yes https://www.bharatforge.com/contact-us/contact	0	0		0	0	-

Note: The customer complaints received are attributable to Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

26. Overview of the entity's material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether it's a risk or an opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive/ negative implications)
1	Organisation structure	Risk	Organisation structure not aligned with the rapid disruptive business environment and continuous innovation.	• Strategy team to define and track the roadmap for monitoring the long-term business plan • Organisation structure to be aligned with changes in business requirements.	Business continuity gets impacted, leading to financial loss
2	Innovation	Risk	• Changes in technology/ government policy may result in product obsolescence • Consequently, lower sales volumes and lower return on investments than expected.	• Increase in product offering and share of business • Diversification of product portfolio • Structured technology development projects.	Innovation in the industry may impact the business negatively if not considered immediately
3	Sustained performance	Risk	Capital deployment into different businesses leading to a reduction in ROCE (Return on Capital Employed)	• Monitoring of capital allocation made in long- term business plans • Further investments based on technology, return prospects from a strategic nature and the commitment from stakeholders	Impacts the brand reputation in the industry, thereby leading to financial loss
4	IT data centre and far-sight disaster recovery (DR)	Risk	The present IT Systems data architecture may not be able to meet the information requirements of a dynamic organisation structure and rapidly changing business requirements.	• Harmonisation of master data and critical data points • Revamp the process of generating the financial performance data from the ERP System • Harmonise the IT systems across geographies.	Business continuity gets impacted, leading to financial loss
5	Merger and Acquisitions	Risk	Challenge in achieving the desired synergies during mergers and acquisitions	• Assessment of vision/cultural alignment and identification of areas of synergy before acquisition • Development of a plan for integration. • Review the transition/integration on a regular basis.	Business continuity gets impacted, leading to financial loss
6	Growth and Expansion	Opportunity	Changes in the global political and economic environment, including trade policies and economic sanctions may have an adverse impact on the Company.	• Evaluate opportunities to diversify operations across geographies/industries/sectors • Monitor the concentration risk across all parameters (geographies in which it operates, customer base, product base, suppliers)	Impacts the brand reputation in the industry, thereby leading to financial loss
7	Human Capital	Risk	Unable to attract, develop and retain top talent and not able to plan succession.	• Organisation Structure is to be defined as per business strategy. • Critical positions are identified and filled with internal candidates • Initiate Talent Management Programme to identify and develop "High Performance – High Potential" employees, thereby building Leadership Pipeline. • Identified leaders to undergo rigorous development programmes/assignments/Job Rotations	Consistent efforts would lead to a positive impact, leading to improved quality and productivity, thereby financial progress.

S. No.	Material issue identified	Indicate whether it's a risk or an opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive/ negative implications)
8	Customer Satisfaction	Opportunity	Intense competition in the market impacting the Company's market share and resulting in the reduction of sales volume	• Increased face time and interactions with customers to understand their needs, pain points, threats & modify our strategy accordingly. • Improve customer loyalty through faster response time to delivery • Long-term agreements with customers	Consistent efforts would lead to a positive impact due to improvement in productivity, reduction in defects, etc
9	Data protection	Risk	Challenges in managing the risks from cybersecurity, data protection, confidentiality as well as disaster recovery, whether from external threats or from internal - employees, subcontractors, etc.	• Web Application Firewall (WAF)/SIEM - SOC mechanism, Data Leak Protection (DLP) mechanism to protect the data. • Restricted access to external devices. • Privileged accesses reviewed periodically. • Remote access through VPN needs multi-factor authentication (MFA) • Offensive Security practice with Breach and Attack Simulation started every quarter to protect from real-world attacks.	Impacts the brand reputation in the industry, thereby leading to financial loss
10	Business Continuity	Risk	• Disruptions in the supply chain may adversely affect the Company's operations • Availability of raw materials and power • Impact of inflation and cost escalations of commodity and utilities prices	• Procurement of critical raw material from reliable sources. • Pricing arrangements with the customer to address the cost increase in the raw materials on a regular basis. • Long-term contracts for logistics • Annual evaluation for critical vendors	Disruption to business operations leads to negative financial implications
11	Regulatory Compliance	Risk	Challenges in managing regulatory compliance in a global dynamic regulatory environment	• Deploy a compliance management system to track compliance in real time. • Implement a global compliance tool to monitor and report exceptions. • Quarterly compliance certificate from the Management of the respective Bharat Forge business unit and subsidiary companies • Training on Legal compliance is organised for the process owners periodically	Impacts the brand reputation in the industry, thereby leading to financial loss
12	Climate Change	Opportunity	Reducing GHG emissions offers distinct operational and energy supply opportunities.	• ESG Committee at the Board level to oversee the implementation of climate change initiatives • ESG Framework with 7 objectives and 25 measures devised. Target timelines defined for these measures • Carbon Footprint Mapping and validation of emission reduction targets by institutions like SBTi • Deployment of Energy Management System for achieving energy efficiency and thereby reducing emissions • Utilisation of more green energy in the operations and supply chain	Initiatives taken around climate change have a positive implication towards business
13	Resource Efficiency	Opportunity	Optimal use of resources such as energy, water and raw materials supports sustainable business performance	• ESG Committee at the Board level to oversee the implementation of resource efficiency initiatives • ESG Framework with 7 objectives and 25 measures devised. Target timelines defined for these measures	Initiatives taken around resource efficiency have a positive implication towards business
14	Health, Safety & Environment	Risk	Failure to provide a safe working environment and non-compliance to safety measures by employees and business partners will lead to liabilities, suboptimal productivity, loss of business reputation and other costs.	• Sustenance of the existing Occupational Health and Safety Management system • Safety observations reporting system, near-miss reporting process, safety committee meetings • Strict adherence to BBS (Behaviour-Based Safety system) • Detailed SOP, employee training and adherence followed strictly. • Use of digital technology such as Industry 4.0 and Artificial Intelligence	Incidents impact employee morale and business reputation, leading to negative financial implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place to adopt the National Guidelines for Responsible Business Conduct (NGRBC) Principles and Core Elements.

The NGRBC as prescribed by the Ministry of Corporate Affairs advocate nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) ^	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web link of the policies, if available	Policies on HR, ISO, CSR, Insider Trading, Related Party, etc. are available on links such as: https://www.bharatforge.com/sustainability/governance/#top								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name the national and international codes/certifications/labels/standards	Y[a]	Y[b]	Y[d]	Y	Y	Y[c/e]	Y	Y	Y

The Company has obtained 26 certifications under national and international codes/certifications/labels/standards

a. Quality systems -
- ISO 9001:2015 (QMS Certification for Non-Automotive Parts)
- IATF 16949:2016 (QMS Certification for Automotive Parts)
- AS 9100 Rev D (QMS Certification for Aviation Parts)
- API-20B & API-Q1 (American Petroleum Institute certification for petroleum products)
- NABL:ISO/IEC 17025:2017 (National Accreditation Board for Testing and Calibration Laboratories)
- Lloyd's Register (Approved for Closed Die C/S Forgings surface induction hardening of C/S)
- Pressure Equipment Directive 2014 and Pressure Equipment Safety Regulation 2016 Certificate (Lloyd's Register EC Certificate for CDFD and HFD Parts)
- Nadcap (Aerospace, Heat Treating, Measurement and Inspection, Metallic Materials Manufacturing, Non-Destructive Testing)

b. ISO 27001:2022 (Data Security Management System)
c. ISO 14001:2015 (Environment Management System Certification)
d. ISO 45001:2018 (Safety Management System Certification)
e. ISO 50001: 2018 (Energy Management System Certification)

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	ESG Roadmap with Goals and Targets is available in the ESG/Sustainability section on the company website. Link- https://www.bharatforge.com/sustainability/ESG_roadmap/#top
6. Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met.	Bharat Forge ESG Roadmap with specific commitments, goals and targets has been developed. This is being measured periodically and updates are provided to the Board's ESG Committee at regular intervals. Some of the significant accomplishments are listed below:

	FY2024-25	FY2025-26	Change (%)	
GHG Emission (Thousand tons CO2e) Scope 1 & 2	259	253	-2.32	↓
Renewable Energy of Total Electricity Consumed in %	37.16	38.02	+2.31	↑
Recycled Water %	41	49.34	+20.81	↑
Specific water consumption (KL/MT Production)	3.81	3.63	-4.72	↓
Use of Secondary raw material %	41	36	-12.20	↓
LTFIR (Lost Time Injury Frequency Rate)	0.44	0.57	+29.55	↑
% of women in leadership	2.51	2.97	+18.33	↑

- SBTi (Science Based Targets Initiative) approval in place for near-term emission reduction targets.
- Climate Risk Assessment carried out for the organisation. Suggested mitigation measures are currently being implemented.
- Water conservation efforts strengthened. Enhanced the use of recycled water.
- Metrics from the updated ESG roadmap are under review.
- Supplier Sustainability Index (SSI) was deployed to evaluate the supplier sustainability performance and site assessments of hazardous waste recyclers were carried out
- Sustenance Audits completed for ISO 50001: 2018, ISO 14001:2015, ISO 45001: 2018 for all the sites.

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements

"ESG committee oversees the ESG/Sustainability initiatives of the company. The roadmap with specific goals and targets is in place. Implementation of actions is monitored for their progress and updates shared with all the stakeholders on a periodical basis."

The roles and responsibilities of the committee include

- Guide the Board in developing and implementing the ESG Strategy, Initiatives and Policies for the Company.
- Review emerging risks and opportunities associated with ESG-related issues that have the potential to impact the reputation and business performance of the Company in consultation with the Risk Management Committee of the Board.
- Ensure that the Company is taking appropriate measures to implement actions to further its ESG Strategy. The Committee shall have access to any internal information necessary to fulfil its role in this regard.
- Review and oversee the development and implementation of targets, standards and metrics established by management to assess and track the Company's ESG performance.
- Review and reassess the adequacy of corporate governance structure and practices, including the Corporate Governance Guidelines, and recommend any proposed changes to the Board.
- Review any statutory requirements for Sustainability reporting, including reporting under the Annual Report of the Company.
- Review and guide for providing any voluntary public disclosure on ESG matters, including any material sustainability reports;
- Review the performance and results of key ESG investor surveys and global benchmarks.
- Obtain advice and assistance from internal and/or external experts and advisors.
- Form and delegate authority to subcommittees or any official subject to the provisions of applicable laws, as may be deemed appropriate.
- Oversee the Company's engagement with stakeholders on ESG issues, including responses to any proposals or other concerns that have been submitted to the Company.
- Maintain written minutes and record of actions taken by the Committee.
- Periodically report to the Board on ESG matters, including the Company's ESG strategy, initiatives, policies, performance, public disclosures and engagement with stakeholders.
- Perform such other duties, tasks and responsibilities relevant to the purpose of the ESG Committee as may from time to time be requested by the Board of Directors.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	The ESG Committee at the Board level is chaired by the Vice Chairman and Joint Managing Director and with two Independent Directors as members. This Committee continuously evaluates the Company's social, environmental, governance and economic obligations. The Management-level ESG Team, led by Head-ESG, ensures engagement with stakeholders on various ESG/Sustainability Topics on a periodic basis and obtains their feedback. This team works on the identified actions and provides the Board ESG Committee with regular updates.
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.	Yes. Bharat Forge has set up an ESG Committee at the Board level. It is chaired by the Vice Chairman & Joint Managing Director and has two Independent Directors as members. This committee continuously evaluates the Company's social, environmental, governance and economic obligations. Further details regarding the ESG Committee are provided in the Corporate Governance section of the Annual Report.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director/Committee of the Board/Any other Committee									Frequency (Annually/Half Yearly/Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against the above policies and follow-up action	The ESG Committee Meeting held on January 28, 2026, discussed issues relating to sustainability initiatives undertaken within the organisation, ESG Ratings and recycled quantity. As suggested by the committee, the Company's performance in these issues is to be assessed by the ESG team.													Annually					
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all legal responsibilities relevant to the principles, and in the case of any non-compliance, the ESG committee investigates and rectifies the issues.													Annually					

11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

Yes. The Policies on Quality, Safety, Health and Environment, Energy are subject to internal and external audits as part of the ISO Systems certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through the Internal Audit mechanism. DQS India (Deutsch Quality Systems Private Limited) is the agency that carries out these assessments.

12. If the answer to question (1) above is "No", i.e., not all principles are covered by a policy, reasons to be stated:

Not applicable as all principles are covered by respective individual policies

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements into key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in the respective category covered by the awareness programmes
Board of Directors	5	Amendment to SEBI Prohibition of Insider Trading Regulations, Revised Disclosure norms on Related Party Transactions, Labour Code, National Financial Reporting Authority (NFRA) circular regarding enhanced communication with "Those Charged With Governance" (TCWG), Amendments to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	100%
Key Managerial Personnel	9	Related Party Transactions, Amendments to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Prohibition of Insider Trading Regulations, UK Anti-Bribery and FCPA Compliance, Trade Sanctions and Export Controls, Labour Code, Human Rights, Ethics and Code of Conduct, POSH and Gender Sensitivity	100%
Employees other than the Board of Directors or KMPs	269	Business Ethics and Code of Conduct, Human Rights, POSH and Gender Sensitivity, Health and Safety, Environment, Energy and Emissions, Waste reduction, Water saving, ESG, Stress Management, First Aid and CPR, Team Building, Communication Skills, Personal Effectiveness, Business Communication Skills, Behavioural Trainings, IT/ Technical Skills, Stress and Time, Pre-Retirement Training Programme, Induction (new employee orientation and onboarding)	100%
Workers	352	Business Ethics and Code of Conduct, Human Rights, POSH and Gender Sensitivity, Health and Safety, On-the-job training, Environment, Waste reduction, Water saving, Energy and Emissions, Stress Management, First Aid and CPR, Team Building, Communication Skills, Personal Effectiveness, Business Communication Skills, etc.	100%

Note: Key Managerial Personnel includes Senior Management as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-
Punishment	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, during the financial year 2025-26, Bharat Forge continued to maintain a zero-tolerance approach to all forms of corruption and bribery. It enforced its Anti-Corruption and Anti-Bribery Policy with utmost rigour. The policy remains applicable to all employees of the Company and its subsidiaries, joint ventures, and affiliates across all levels and locations worldwide. The Company expects all employees to act with the highest standards of honesty in every sphere of their work. Adherence to Anti-Corruption and Anti-Bribery laws and regulations is mandatory for all the company's facilities. Furthermore, all agents, suppliers, contractors, and business partners are made aware of the Company's zero-tolerance stance on bribery and corruption at the outset of their business relationships. Onboarding employees receive a copy of the policy, and all existing associates are regularly reminded of its provisions. Further, the Company conducts periodic training sessions to detect and prevent any issues related to corruption and bribery.

Across all its operations in FY 2025-26, the Company upheld the highest standards and maintained a strict zero-tolerance policy towards bribery and corruption. The policy is accessible at: https://www.bharatforge.com/assets/pdf/investor/download/Anti-Corruption_and_Bribery_Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

No disciplinary action was taken by any law enforcement agency against any of the Company's Directors, KMPs, employees, or workers for the charges of bribery or corruption.

6. Details of complaints with regard to conflict of interest:

No complaints with regard to conflict of interest were reported in the reporting period.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflict of interest.

Not Applicable

8. Number of days of accounts payable (Accounts payable* 365)/Costs of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payable	91.04	74.43

9. Openness of Business:
Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances and investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	2.84%	2.75%
	b. Number of trading houses where purchases are made from	638	704
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	37.48%	32.36%
Concentration of Sales	a. Sales to dealers/distributers as % total sales	NA - BHARAT FORGE products are sent to OEMs (Original Equipment Manufacturers) directly. We do not have dealers/distributors as part of our supply chain.	
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top dealers/distributors as % of total sales to dealers/distributors		
Shares of RPTs in	a. Purchases (purchases with related parties/total purchases)	36.30%	32.34%
	b. Sales (sales to related parties/total sales)	41.84%	48.84%
	c. Loans and advances (loans and advances given to related parties/total loans and advances)	78.38%	76.20%
	d. Investments (investments in related parties/total investments made)	83.39%	75.21%

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total no of awareness programmes held	Topics/principles covered in training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	• Supplier Code of Conduct, • POSH (Prevention of Sexual Harassment) and Human Rights	75.11%

2. Does the entity have processes in place to avoid/manage conflicts of interest involving members of the board? (Yes/No) If yes, provide details.
Yes, Bharat Forge has processes in place to avoid/manage conflicts of interest involving members of the Board and it is included in the Terms of Appointment of Directors to the Board. The Company's Code of Conduct states that the Board members and Senior Management of the Company are needed to abstain themselves from discussing, voting, or otherwise influencing a decision on any matter in which they have or may have a conflict of interest; restrict themselves from serving as a Director of any Company that is in direct competition with the Company or must take prior approval from the Company's Board of Directors before accepting such position.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
Capex	₹ 161 million 4.98 % of total Capex	₹ 213.95 million 3.47% of total Capex	Investments in systems such as heaters, cooling systems, compressors, motors, emission control systems, etc., to improve the environmental and social impacts of products and processes are part of this reported CAPEX/R&D investments by the entity.
R&D	₹ 25.77 million 4.95% of total R&D expenditure	₹ 16.66 million 2.86% of total R&D expenditure	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes. A sustainable procurement policy has been in place for the organisation since October 2023. The Company being conscious of the role of sustainability in its business, screens all its suppliers based on social and environmental criteria, and all the Company's operations are regularly reviewed to ensure that the sourced materials are handled responsibly.

A copy of the sustainable procurement policy can be downloaded from the company website through the link below: https://www.bharatforge.com/assets/pdf/investor/download/BHARATFORGE_Sustainable_Procurement_Policy-2023.pdf

b. If yes, what percentage of inputs were sourced sustainably?
As part of sustainable sourcing, we have ensured that 36% of the total raw material sourced in FY 2025-26 was secondary raw material (recycled steel). The company has a conflict minerals policy to avoid the use of conflict minerals in its supply chain. The same has been ensured during material sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.
Since the product is supplied directly to OEMs, the Company has limited scope to reclaimit at the end of its life cycle. The Company, however, has systems in place to safely recycle plastics (including packaging), e-waste, and hazardous waste. For the disposal of such waste, the Company contracts with authorised recyclers and files returns with the appropriate statutory bodies.

Also, the Company has optimised its processes to the point where most of the waste produced is recycled and reused in its own operations. As a result, the amount of waste that leaves the Company for disposal is reduced.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to the Pollution Control Boards? If not, provide steps taken to address the same.
Yes, it is applicable to the company under the importer category. Returns have been submitted to the Pollution Control Board as required by the Extended Producer Responsibility (EPR).

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format:
The Company has not conducted any life cycle assessment of the products to date. However, it is planning to carry out the LCA for products in the coming years.

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Not Applicable. We are in the process of carrying out the Life Cycle Assessment in the coming years.

3. Percentage of recycled or reused input material to total material (by value) used in production (for the manufacturing industry) or providing services (for the service industry).

Indicate input material	Recycled or reused input material to total material	
	FY 2025-26	FY 2024-25
Water	49.34%	41%
Raw material	36%	41%

4. Of the products and packaging reclaimed at the end of life of products, the amount (in metric tonnes) reused, recycled, and safely disposed of, as per the following format:

Since the product is supplied directly to OEMs, the Company has limited scope to reclaim it at the end of its life cycle.

5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.

Since the product is supplied directly to OEMs, the Company has limited scope to reclaim it at the end of its life cycle.

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	2484	2484	100%	2484	100%	NA	NA	NA	NA	NA	NA
Female	72	72	100%	72	100%	72	100%	NA	NA	72	100%
Total	**2556**	**2556**	**100%**	**2556**	**100%**	**72**	**100%**	**NA**	**NA**	**72**	**100%**
OTHER THAN PERMANENT EMPLOYEES											
Male	262	262	100%	262	100%	NA	NA	NA	NA	NA	NA
Female	31	31	100%	31	100%	NA	NA	NA	NA	NA	NA
Total	**293**	**293**	**100%**	**293**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

b. Details of measures for the well-being of workers

Category	Total (A)	% of Workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	1397	1397	100%	1397	100%	NA	NA	NA	NA	NA	NA
Female	1	1	100%	1	100%	1	100%	NA	NA	1	100%
Total	**1398**	**1398**	**100%**	**1398**	**100%**	**1**	**100%**	**NA**	**NA**	**1**	**100%**
OTHER THAN PERMANENT WORKERS											
Male	6274	6274	100%	6274	100%	NA	NA	NA	NA	NA	NA
Female	102	102	100%	102	100%	NA	NA	NA	NA	NA	NA
Total	**6376**	**6376**	**100%**	**6376**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Note: The company does not provide paternity benefits and daycare facilities for male employees and workers.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of the total revenue of the company	0.18%	0.17%

Note: The contract workers are deployed through service providers and their wages, including well-being measures, are provided by the service providers.

2. Details of retirement benefits for the current and previous financial year

All benefits as per various employment legislations are given to employees

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Leave encashment	100%	100%	Y	100%	100%	Y

* The coverage percentage includes only those employees and workers to whom ESI is applicable

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether the entity is taking any steps in this regard.

The Company's facilities, including premises/offices have been equipped with ramps, lifts, and handrails for stairwells to facilitate the movement of differently abled individuals. Thus, the Company's premises have been made accessible.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Bharat Forge provides equal employment opportunities, without any discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex and sexual orientation. The Company strives to maintain a work environment that is free from any discrimination/harassment based on above considerations. This Equal Opportunities Policy is subject to applicable regulations, qualifications, and merit of the individual. The policy is available to the stakeholders on the Company's Website at the following link - https://www.bharatforge.com/assets/images/csr/BFL-22_Equal_Opportunity_for_Persons_with_Disablities.pdf

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	50%	NA	-	-
Total	**50%**	**NA***	**-**	**-**

Note - The Company does not provide paternity benefits to male employees and workers.

* During the current year, no employee who has returned from paternity leave has completed 12 months.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

The Company has a Grievance Policy for providing its employees a way to voice their employment-related concerns. The Policy ensures that such grievances are handled quickly, in a fair and impartial manner by the Grievance Committee and in compliance with the Organisation's other policies. This comprises employee concerns about a supervisor's, another employee's, or management's behaviour, inaction, or proposed action in relation to them.

According to the Company's grievance redressal system, the first step in resolving any problem is to communicate openly. An employee should first seek an informal resolution of any concern with his or her immediate supervisor. If such informal dialogue fails to resolve the issue, and the employee believes his or her complaint has progressed to the level of a grievance, the employee may file a formal grievance as stated in this policy to seek a fair resolution. The policy is available to the stakeholders on the Company's Website at the following link - https://www.bharatforge.com/sustainability/social/#top

7. **Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2025-26			FY 2024-25		
	Total employees/ workers in the respective category (A)	No of Employees/ workers in the respective category who are part of an association/union (B)	% B/A	Total employees/ workers in the respective category (C)	No of Employees/ workers in the respective category who are part of the association/union (D)	% D/C
			EMPLOYEES			
Total Permanent Employees	2556	0	0	2566	0	0
Male	2484	0	0	2504	0	0
Female	72	0	0	62	0	0

Category	FY 2025-26			FY 2024-25		
	Total employees/ workers in the respective category (A)	No of Employees/ workers in the respective category who are part of an association/union (B)	% B/A	Total employees/ workers in the respective category (C)	No of Employees/ workers in the respective category who are part of the association/union (D)	% D/C
			WORKERS			
Total Permanent Workers	1398	1398	100%	1406	1406	100%
Male	1397	1397	100%	1405	1405	100%
Female	1	1	100%	1	1	100%

8. **Details of training given to employees and workers:**

Bharat Forge provided training on health and safety, wellness measures, environment-related, behavioural, on-the-job, soft skill training, data protection, policies, human rights, ESG (Environment, Social and Governance), etc. training to all employees, including workers and contractors. A total of 22.46 hours of training per employee has been achieved in this fiscal year (FY 2025-26).

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety/Wellness measures		On skill upgradation (Behavioural Training/Soft Skills Training)		Total (D)	On health and safety/wellness measures		On skill upgradation (Behavioural Training/Soft Skills Training)	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					EMPLOYEES					
Male	2746	2746	100%	2746	100%	2834	2834	100%	2834	100%
Female	103	103	100%	103	100%	114	114	100%	114	100%
Total	**2849**	**2849**	**100%**	**2849**	**100%**	**2948**	**2948**	**100%**	**2948**	**100%**
					WORKERS					
Male	7671	7671	100%	7671	100%	6440	6440	100%	6440	100%
Female	103	103	100%	103	100%	105	105	100%	105	100%
Total	**7774**	**7774**	**100%**	**7774**	**100%**	**6545**	**6545**	**100%**	**6545**	**100%**

Note - Employees – No of employees includes other than permanent employees as well.

Workers - No of workers includes contract workers as well.

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
			PERMANENT EMPLOYEES			
Male	2484	2484	100	2504	2504	100
Female	72	72	100	62	62	100
Total	**2556**	**2556**	**100**	**2566**	**2566**	**100**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
			PERMANENT WORKERS			
Male	1397	1397	100	1405	1405	100
Female	1	1	100	1	1	100
Total	**1398**	**1398**	**100**	**1406**	**1406**	**100**

Note - The above-mentioned disclosure excludes numbers relating to other than permanent workers. The performance and career development reviews for other than permanent workers are managed by the respective value chain partners.

10. Health and safety management system:

a. Whether the entity has implemented an occupational health and safety management system? (Yes/No). If yes, what is the coverage of such a system?

Yes. We have implemented the ISO 45001:2018 Occupational Health and Safety Management system in all our manufacturing sites and have been certified by DQS India (Deutsch Quality Systems Private Limited). All manufacturing operations are covered by this management system. Daily safety walks, regular safety training, periodic safety audits, implementation of the permit to work (PTW) system, Energy isolation (LOTO), Safety committee meetings, Behaviour-Based Safety (BBS) and contractor safety management are the critical elements of this management system.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has adopted the Hazard Identification and Risk Assessment (HIRA) process to identify hazards and assess risks for routine/non-routine activities. Training is conducted on the process of carrying out HIRA. Further, safety walkthroughs/audits are carried out regularly by plant leadership, line managers, supervisors, safety coordinators and safety officers. HIRA for all activities is reviewed periodically and updated whenever changes are made in the system. Also, observations made during external audits by regulatory authorities, customers and other stakeholders are considered in the HIRA review. Other hazard identification techniques, such as Job Safety Analysis (JSA), Hazard and Operability Study (HAZOP) and Maximum Credible Loss Scenario (MCLS) are also used wherever applicable.

c. Whether you have processes for workers to report the work-related hazards and remove themselves from such risks.

Yes. We have defined a process for reporting work-related hazards as part of the ISO 45001:2018 Occupational Health and Safety Management System. In addition, employees are encouraged to utilise the existing safety observations reporting system, near-miss reporting processes, safety committee meetings, toolbox talks and safety suggestion schemes to report hazards. Employees are trained/re-trained in hazard identification and reporting at periodic intervals. In addition to the existing safety control systems, all employees are provided with appropriate personal protective equipment (PPE) to safeguard themselves from hazards.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes. Bharat Forge believes in creating an environment for employees in which their financial needs are met beyond their salary. All Company employees are offered a variety of health and wellness benefits, including medical and accident insurance for the employee and their immediate family, which provides financial assistance in the event of an accident or serious illness. In addition, the Company offers coverage for dependent parents, periodic health checks and wellness programmes.

11. Details of safety-related incidents

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.14	0
	Workers	0.77	0.66
Total recordable work-related injuries	Employees	1	0
	Workers	12	10
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Contract workers (other than permanent workers) are included in the workers category.

LTIFR calculation is considered as No. of employees/workers in the month*26 working days * 8 hrs of work each day

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

We strongly believe in building and sustaining a safety-conscious organisation. To achieve this, we continuously strive to develop and deploy advanced safety systems at the workplace. In addition, systems such as safety committees, training, awareness campaigns, rewards and recognition have been deployed to ensure a safe and healthy workplace.

Safety interlocks and surveillance systems for high-risk operations, anti-collision/human presence detection systems in material-handling equipment (Forklifts), an auto dialler for fire protection systems, an energy isolation mechanism (LOTO), are some of the technological controls that have been made available in the workplace.

Qualified safety officers are deployed as dedicated health and safety coordinators on the shopfloor. They ensure the implementation of safe work practices at their respective shop. Regular safety walkthroughs are taken by these coordinators along with the central safety team. Cross-functional safety audits are carried out by the leadership team to identify unsafe acts and conditions. Checklists and schedules are defined for these cross-functional audits.

The change management process is strictly adopted for any changes/new additions in the manufacturing systems. Hazard identification and risk assessment are done as part of change management to identify and address hazards/risks.

Training and authorisation for the workforce is strictly ensured. Safety training is provided on specific topics/related hazards before starting any non-routine activities. A structured on-site emergency response plan ensures emergency preparedness. Periodic mock drills are conducted to check the adequacy and readiness of this response plan. All incidents, near misses and observations are thoroughly investigated to deploy necessary mitigation measures on a timely basis.

13. Number of complaints on the following made by employees and workers:

No employee or worker made complaints regarding the working conditions and/or health and safety practices of the Company.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities, or third parties)
Health and safety practices	Third-party Audit – 100%
Environmental Compliance	Third-party Audit – 100%
Working Conditions	Third-party Audit – 100%
Human Rights Due Diligence	Third-party Audit – 100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions.**

Regular reviews were conducted to strengthen our existing safety practices. As a result of these reviews, a few areas were identified for deploying additional controls. Artificial intelligence (AI)-based systems, such as proximity sensors and speed control devices, were deployed in material handling operations (forklifts used on the shopfloor). Retraining and authorisation of the workforce were undertaken for all high-risk operations. More focus was given to training the contractual workforce.

Additional surveillance systems were deployed on the shop floor to spot and rectify all kinds of unsafe acts/conditions. These surveillances systems were coupled with an algorithm to ensure PPE adherence and identify deviations, if any, and take necessary actions. Machine guarding system was strengthened with additional controls such as optical sensors and limit switches, wherever required. Reviewed and enhanced the design of safety tools used in the manufacturing operations. Visual representation improved in the operating procedures displayed on the shop floor.

As part of safety culture transformation, the Behaviour-Based Safety (BBS) system has been deployed on the shop floor. Training is provided to BBS observers and their walkthrough details are reported through a digital platform. These details are analysed for the deployment of further interventions.

With all these additional controls in place, we ensured the risks are maintained at the ALARP level (as low as reasonably practicable) and reaffirmed our commitment to providing a safe working environment for our employees.

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Yes, Bharat Forge provides support through its Death Relief Policy for employees and workers in case of death or other tragic events.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company takes great care to ensure that the applicable statutory dues are deducted and deposited by the value chain partners. The details are outlined in Bharat Forge Supplier Code of Conduct. All supply chain partners must adhere to it in every way to uphold business responsibility principles and the ideals of transparency and accountability.

3. **Provide the number of employees/workers having suffered high-consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, Bharat Forge, as a desirable employer, provides future-oriented opportunities and the right environment for people to grow personally and contribute to the future. Employees whose services are terminated by the Company before their customary retirement date or who accept voluntary redundancy in exchange for these benefits are eligible for termination benefits. The benefits are offered through the VRS scheme and include monetary benefits too.

5. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Legal compliance	75.11 %
Business Ethics & Code of Conduct	
Health and Safety Practices	
Working conditions	
Environment	
Energy and Emissions	
Human Rights	
Sourcing of raw materials	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners**

In compliance with Bharat Forge's Supplier Code of Conduct, suppliers are assessed and monitored on the above-mentioned topics. All suppliers are required to accept the Supplier Code of Conduct at the time of vendor registration. Health and safety topics are given high priority in the operations. The Company recognises the significance of Business Ethics, Human Rights, Environment, Health and Safety, Energy and Responsible sourcing of materials in every business. As a result, the Company has offered its assistance in developing such policies for suppliers who do not have them and guiding them in the implementation.

PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL THEIR STAKEHOLDERS

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Key Stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable and Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly/Others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Employees	No	• Conferences, workshops, Publications, newsletters and reports, online portals, employee surveys, Idea management, internal media	Periodically	Information about important updates regarding the Company. This helps the employees expand their knowledge in the industry. Getting employee feedback and resolving their issues.
		• One-on-one interactions	Half Yearly	
		• Employee involvement in CSR activities	Quarterly	

Stakeholder Group	Whether identified as Vulnerable and Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly/Others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Investors	No	• Annual report, sustainability report, press releases	Annually	Investors prefer to invest in organisations that are socially and environmentally responsible.
		• Investor presentations	Annually	
		• Corporate website	Periodically	
		• Quarterly and Annual results	Quarterly	
		• ESG calls	Quarterly	
Customers	No	• Interviews, personal visits, publications, mass media and digital communications, plant visits	Weekly and Quarterly	Customers – • prefer to connect with an organisation that is socially and environmentally responsible
		• Support programmes, social media	Annually	
		• Conferences and events	Monthly	
Suppliers & Service providers	No	• Email Communication	Periodically	Supply Chain Management Practice
		• Supplier and vendor meets	Periodically	
		• Policies	Periodically	
		• Official communication letters	Periodically	
		• Supplier sustainability assessments	Annually	
Business Partners	No	• Dialogue with sales organisations and coordinating units of importers	Periodically	Provide service to present customers while increasing the potential for future growth.
Government and Regulatory Bodies	No	• Official communication channels,	Monthly	Communications with government bodies enable the Company to understand the specific needs of a particular geographic location for increased effectiveness in operations
		• Regulatory audits/ inspections	Annually	
		• Environmental compliance	Annually	
Communities	Needs assessment, field visits and focused group discussions were conducted at the community level, based on which stakeholder groups and locations were identified for CSR intervention. Please refer to the following link for information about the Company's community work: https://www.bharatforge.com/sustainability/corporate-social-responsibility			

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics, or if consultation is delegated, how feedback from such consultations is provided to the Board.**
   Bharat Forge has established an ESG Committee at the Board level. The ESG committee is responsible for keeping the Board informed of various developments and seeking inputs from the Directors. Continuous stakeholder engagement, combined with an in-depth assessment by the ESG committee, aids the organisation in aligning its business with ESG, enabling it to serve its stakeholders better.

   The Management-level ESG Team, led by Head-ESG, ensures engagement with stakeholders on various ESG/Sustainability Topics on a periodic basis and obtains their feedback. This team works on the identified actions and provides the Board ESG Committee regular updates.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
   Yes, Bharat Forge has continuously maintained a regular and proactive engagement with the Company's key stakeholders, enabling it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and stakeholder interactions, the Company performs periodic evaluations to update and reissue policies as needed. For instance, customer inputs are considered when implementing new environmental/social initiatives in the organisation.

3. **Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/marginalised stakeholder groups.**
   Please refer to the following link for information about the Company's community work: https://www.bharatforge.com/sustainability/corporate-social-responsibility

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on Human Rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
EMPLOYEES						
Permanent Employees	2556	2556	100	2566	2026	78.95
Other than permanent	293	293	100	382	382	100
Total	2849	2849	100	2948	2408	81.68
WORKERS						
Permanent Workers	1398	1398	100	1406	417	29.65
Other than permanent	6376	6376	100	5139	1155	22.47
Total	7774	7774	100	6545	1572	24.02

2. Details of minimum wages paid to employees

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	2556	0	0	2556	100	2566	0	0	2566	100%
Male	2484	0	0	2484	100	2504	0	0	2504	100%
Female	72	0	0	72	100	62	0	0	62	100%
Other than permanent	293	0	0	293	100	382	0	0	382	100%
Male	262	0	0	262	100	330	0	0	330	100%
Female	31	0	0	31	100	52	0	0	52	100%
WORKERS										
Permanent	1398	0	0	1398	100	1406	0	0	1406	100%
Male	1397	0	0	1397	100	1405	0	0	1405	100%
Female	1	0	0	1	100	1	0	0	1	100%
Other than permanent	6376	0	0	6376	100	5139	0	0	5139	100%
Male	6274	0	0	6274	100	5035	0	0	5035	100%
Female	102	0	0	102	100	104	0	0	104	100%

3. Details of remuneration/salary/wages in the following format:

a. Median remuneration/salary/wages of respective category

	Male		Female	
	Number	Median Remuneration/ salary/wages of respective category in ₹**	Number	Median Remuneration/ salary/wages of respective category in ₹**
Board of Directors (BoD) (Whole-time directors)	4	920.41	-	-
Key Managerial Personnel (other than BoD)*	8	168.386	1	59.71284
Employees other than BoD and KMP	2472	11.19318	71	11.75002
Workers	1397	9.89598	1	9.29762

* Key Managerial Personnel includes Senior Management as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

** Remuneration mentioned above is in lakhs per annum

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	2.17%	2.03%

Note: The above does not include contract workers which are deployed through service providers and their wages, including well-being measures, are provided by the service providers.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has formulated a Human Rights Policy which states that employees can address their complaints or grievances to the Human Resources department or Senior Management. There shall be no retaliation or reprisal taken against any employee or associate who raises concerns in accordance with the policy. A committee may be formed or delegated to investigate the reported issues. The Committee is responsible for evaluating the reported issues and ensuring that they are addressed and rectified. In collaboration with Senior Management, the Committee may also recommend a suitable resolution.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Bharat Forge recognises the important role that business can play in ensuring the long-term protection of human rights. The Company is dedicated to upholding the human rights of its employees, communities, contractors, and suppliers in accordance with the International Bill of Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact.

The Company has formulated a Human Rights Policy which works in conjunction with the Grievance Policy to ensure that grievances are addressed promptly and effectively.

The mechanism works by following the instructions outlined below:

1. The employees/affiliates address their complaints or grievances or report instances to the Human Resources department/Senior Management. No reprisal or retaliatory action is taken against any employee/affiliate for raising concerns under this policy.
2. A committee is formed/designated to investigate the violations reported. The Committee evaluates reported violations and ensures that they are addressed and resolved. The Committee also, in consultation with the Senior Management, provides a suitable remedy.
3. The Company periodically undertakes a human rights due diligence process for management and oversight/monitoring of the policy and identifies any shortcomings.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	2	2	Investigation is under process as on 31.03.2026	0	0	NA
Discrimination at workplace	NIL			NIL		
Child labour						
Forced/Involuntary labour						
Wages						
Other human rights issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH))	2	0
Complaints on POSH as a % of female employees/workers	0.94 %	0%
Complaints on POSH upheld	2 (Investigation is under process as on 31.03.2026)	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

While dealing with complaints as part of the grievance redressal mechanism, every care is taken to conduct the enquiry in a peaceful manner to avoid any stressful conditions. The entire process is carried out in a highly confidential manner. The Company has a Grievance Policy which states that all members of the Grievance Committee and those entrusted with record keeping, as well as any staff member questioned about an issue, are bound by a duty of confidentiality at all times and must keep all paperwork and information exchanged in the process confidential. Harsh or insulting behaviour by anyone participating in or conducting grievance proceedings is not tolerated at all. Any such behaviour will be viewed as misconduct under the Organisation's disciplinary policies and strict actions will be taken against such unethical behaviour.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements form part of Bharat Forge Supplier Code of Conduct. Suppliers are urged to respect internationally recognised human rights standards and to work towards them in all business activities within their own sphere of influence. Any forced or compulsory labour is prohibited. The following statements form part of Bharat Forge Supplier Code of Conduct.

The Company's Supplier Code of Conduct can be viewed on the following link:
https://www.bharatforge.com/assets/pdf/investor/download/Supplier_Code_of_Conduct.pdf

To be a part of the Company's value chain, the supplier must meet the following human rights requirements:

1. **Child Labour:** Only workers who meet the minimum employment age requirement in the country where they are working, may be hired by a Supplier. The Suppliers must comply with all the applicable labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. The Suppliers are urged to formulate work-study programmes and government-sponsored educational programmes for the younger working section of society.
2. **Wages, Benefits and Working Hours:** Working hours, wages, overtime pay and other elements of compensation must comply with all applicable laws. Workers must be paid at least the minimum legal wage or a wage that meets local industry standards and will provide all legally mandated benefits. Workers should be provided with annual leave and holidays in accordance with applicable laws.
3. **Work Environment and Equal Opportunities/Anti-Discrimination:** Suppliers are obliged to refrain from any discrimination and to ensure equal employment. Supplier shall not discriminate against employees, on the basis of nationality, colour, origin, ideology, religion, race, caste, creed, trade union or political activity, sexual orientation, age, sex, illness, disability, pregnancy or any medical condition. Supplier's employees should be treated with dignity and the work environment should be free of all types of harassment, whether physical, verbal or psychological.

10. Assessments for the year:

Bharat Forge has assessed 100% of its plants and officesthrough external auditors who have audited statutory compliance in relation to the indicators mentioned below. The assessments are conducted on a quarterly basis.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Other- Human Rights aspects	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

All the plants and offices of the Company were found to comply with the human rights requirements and as a result, no corrective actions were required under the criteria stated above.

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

NIL

2. Details of the scope and coverage of any human rights due diligence conducted.

Human rights due diligence requirements have been incorporated in the checklists used by external auditors who conduct compliance audits at our facilities on a regular basis. Also, human rights aspects are included in the supplier sustainability assessments conducted to assess our value chain partners. Thus, with human rights requirements included in the checklists, human rights due diligence is ensured in our facilities and those of our value chain partners.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	75.11%
Forced labour/Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Other Human Rights aspects	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

No significant risks/concerns observed in the assessments to date. All suppliers are instructed to comply with Bharat Forge's Supplier Code of Conduct at the time of Vendor Registration. All Critical Suppliers are assessed and monitored for compliance every year.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
From Renewable sources			
Total electricity consumption (A)	GJ	5,32,723	5,30,790
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	NA	0	0
Total energy consumption from renewable sources (A+B+C)	GJ	**5,32,723**	**5,30,790**
From Non-Renewable sources			
Total electricity consumption (D)	GJ	8,98,775	8,97,428
Total fuel consumption (E)	GJ	13,38,355	12,68,902
Energy consumption through other sources (F)	NA	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	**22,37,130**	**21,66,330**
Total energy consumed (A+B+C+D+E+F)	GJ	**27,69,853**	**26,97,120**
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations)	GJ/₹ millions	32.99	30.50
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/million USD	671.05	630.08
Energy intensity in terms of physical output	GJ/MT	11.62	10.37

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by the IMF for India, which is 20.34

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**
Yes, as part of BRSR, Core Reasonable Assurance has been carried by KPMG Assurance and Consulting Services LLP.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Water Withdrawal by the Source (in kilolitres)			
(i) Surface Water	kilolitres	4,19,281	5,04,628
(ii) Ground Water	kilolitres	1,94,860	2,00,368
(iii) Third Party Water	kilolitres	2,51,673	2,87,257
(iv) Sea Water/Desalinated Water	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv)	kilolitres	**8,65,814**	**9,92,253**
Total volume of water consumption (in kilolitres)	kilolitres	**8,65,814**	**9,92,253**

Parameter	Unit	FY 2025-26	FY 2024-25
Recycled Water (ETP+ STP)	kilolitres	4,27,152	4,05,239
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	(KL/₹ millions)	10.31	11.22
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Water consumption/ Revenue from operations adjusted for PPP)	(KL/million USD)	209.76	231.80
Water intensity in terms of physical output	(KL/MT)	3.63	3.81

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by the IMF for India, which is 20.34

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency**
Yes, as part of BRSR, Core Reasonable Assurance has been carried by KPMG Assurance and Consulting Services LLP.

4. Provide the following details related to water discharged:
The effluent generated is treated and reused in the plant, hence there is no effluent or water discharged from any of our facilities in the current and previous financial years.

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency**
Yes, as part of BRSR, Core Reasonable Assurance has been carried by KPMG Assurance and Consulting Services LLP.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
Bharat Forge has effectively controlled the industrial wastewater generated by its activities, products, and services, and has formulated waste management systems to handle it properly. The Company makes the best utilisation of the wastewater treatment system and as a Zero Liquid Discharge (ZLD) plant, the Company is not discharging wastewater or treated water. ZLD is an approach to water treatment in which all water is recovered, and contaminants are reduced to solid waste. While many water treatment processes attempt to maximise freshwater recovery and minimise waste, ZLD is the most demanding target since the cost and challenges of recovery increase as the wastewater becomes more concentrated. Salinity, scaling compounds, and organics all increase in concentration, which adds costs associated with managing these increases. ZLD is achieved by stringing together water treatment technologies that can treat wastewater as the contaminants are concentrated. Since Bharat Forge has installed an Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) to treat its wastewater, the treated wastewater is reused to reduce freshwater consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
NOx	µg/Nm3	17.97	15.66
SOx	µg/Nm3	12.78	10.99
Particulate matter (PM) (Less than 2.5 Micron)	µg/Nm3	29.77	23.25
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others- please specify	-	-	-

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**
Yes, Mahabal Enviro Engineers Pvt Ltd has evaluated the data reported under this indicator.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	82,015	78,486
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	1,71,298	1,81,232
Total Scope 1 and Scope 2 emissions	tCO2e	2,53,313	2,59,718
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total scope 1 and scope 2 GHG emissions/ Revenue from operations)	tCO2e/₹ millions	3.02	2.94
For Purchasing Power Parity (PPP)* (Total scope 1 and scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO2e/million USD	61.37	60.67
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	tCO2e/MT	1.06	1.00

Note: Scope 1 emissions have been calculated using the emissions factors published by the DEFRA GHG conversion factors 2025 and World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards. For Scope 2 emissions – for India, the source of the emission factor is the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 21.0, November 2025, published by the Central Electricity Authority of India. As BFL procures electricity from the Indian grid (which is a mix of conventional and renewable energy), the emission factor which has been considered is 0.71 tCO2/MWh, as per CEA, Version 21.0.

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by the IMF for India, which is 20.34

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**
Yes, as part of BRSR, Core Reasonable Assurance has been carried by KPMG Assurance and Consulting Services LLP.

8. Does the entity have any projects related to reducing Green House Gas emissions? If yes, then provide details.

Bharat Forge continues its commitment to decarbonisation through continuous improvement, process innovation and adoption of cleaner energy sources across its manufacturing operations. During FY 2025–26, the Company has implemented the following key initiatives to reduce greenhouse gas (GHG) emissions:

Steps taken for utilising alternative sources of energy:
To reduce GHG emissions, the Company has significantly increased its share of renewable energy in its overall energy mix. During the year:

- Solar electricity consumption across major plants exceeded 115 million kWh.
- Wind-based electricity consumption reached approximately 32 million kWh.

These initiatives are integral to the Company's decarbonisation roadmap, focusing on increasing renewable energy penetration and reducing dependence on fossil fuel-based power sources.

In addition, the Company has undertaken **fuel-switching initiatives** in furnace operations by replacing conventional fuels such as LPG/SKO with cleaner fuels like PNG, resulting in improved combustion efficiency and reduced emissions.

Steps taken for conservation of energy:
The Company has implemented multiple energy efficiency projects across utilities and process equipment, contributing to a reduction in energy consumption and associated emissions:

Process Equipment and Operations:
- Installation of energy-efficient induction heating systems
- High velocity burner optimisation in furnaces
- Heat loss reduction through improved insulation and trolley design
- Machine-level logic optimisation to eliminate idle energy consumption
- Production process optimisation leading to reduced energy per unit output

Compressor and Utilities Optimisation:
- Deployment of advanced compressor control systems and load management
- Compressed air leak reduction and auto cut-off systems
- Pressure optimisation and demand-based operation control
- Cooling tower optimisation using temperature-based logic
- Installation of high-efficiency pumps and motors

Electrical Systems:
- Replacement of inefficient motors with IE3/IE4 energy-efficient motors
- Installation of Variable Frequency Drives (VFDs) across utilities and machines
- Replacement of conventional lighting with energy-efficient LED systems
- Installation of automatic power factor correction systems

Impact of Implementation:
The above initiatives have resulted in:
- Significant reduction in overall energy intensity
- Optimisation of fuel consumption in thermal processes
- Reduction in indirect emissions through increased renewable energy adoption

These projects collectively support Bharat Forge's long-term sustainability and ESG goals by reducing carbon footprint while improving operational efficiency and cost competitiveness.

The consolidated energy savings achieved through these initiatives amount to approximately 3.7 million units per year.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste Generated in Metric Tonnes		
Plastic waste **(A)**	147.44	177.84
E-waste **(B)**	3.07	5.54
Bio-medical waste **(C)**	0.0057	0.0056
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	11.62	4.91
Radioactive waste **(F)**	0	0

Parameter	FY 2025-26	FY 2024-25
Other Hazardous waste. Please specify, if any. (G)		
G1. (Cotton Waste (Qty.) kg Chemical Sludge from ETP, Paint Sludge Residues, Spent Bath Sludge)	264.42	383.78
G2. Used/Spent Oil (Liquid)-HW	367.07	370.97
G3. Discarded Containers/Barrels (Solid)-HW	155.01	183.90
G4. Waste and Residues Containing Oil (Liquid)-HW	458.01	422.90
G5. Asbestos Sheet	1.26	74.09
Other Non-hazardous waste generated (H)		
H1. MS Scrap/Scale/Bur/Flash (Solid)	95,057.50	1,03,099.41
H2. Aluminium Scrap	935.97	638.95
H3. Titanium Scrap	29.95	36.37
H4. Paper and Corrugated boxes	218.72	241.18
H5. Rubber	52.14	54.29
H6. Wood	847.76	1,123.50
Food Waste Generated (I)	234.59	232.16
Total (A+B + C + D + E + F + G + H+ I)	**98,784.53**	**1,07,049.80**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (MT/₹ millions)	1.18	1.21
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated/Revenue from operations adjusted for PPP) (MT/million USD)	23.93	25.01
Waste intensity in terms of physical output (MT/MT)	0.41	0.41
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	98,060.84	1,06,169.02
(ii) Reused	-	-
(iii) Other recovery operations	-	-
Total	**98,060.84**	**1,06,169.02**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	722.43	806.68
(ii) Landfilling **	1.26	74.09
(iii) Other disposal operations	-	-
Total	**723.69**	**880.770**

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by the IMF for India, which is 20.34

** There is landfill waste due to the replacement of the old asbestos roof on the shop floor.

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**
Yes, as part of BRSR, Core Reasonable Assurance has been carried by KPMG Assurance and Consulting Services LLP.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce the usage of hazardous and toxic chemicals in your products and processes, and the practices adopted to manage such wastes.

Bharat Forge has made waste management a priority by incorporating the 3R principles into its decision-making. Using the principles of the solid waste management hierarchy, the Company encourages its teams to innovate and divert waste. The Company is constantly working to reduce hazardous and non-hazardous waste in its manufacturing sites. Throughout the year, the Company has implemented measures such as changing the disposal pathway for recycling oil to reduce hazardous waste load and recycling ETP sludge, to reduce disposal to landfills.

To better understand the Company's waste profile, sites are mapped for the waste generation and disposal methods. In addition, the Company improved its data collection systems and incorporated waste volumes into its monthly environmental dashboard. These activities enabled the Company to identify the three primary barriers preventing its facilities from diverting waste from landfills: cost, regulatory challenges, and lack of resources.

Managing Hazardous Waste
Hazardous waste is handled as per the requirements, and a waste registry is maintained. The waste is transported to the relevant authorised agencies for proper handling. Bharat Forge complies with all MPCB rules and regulations regarding how these products must be properly stored, labelled, handled, shipped, or recycled to limit potential exposure as well as all international standards that apply to the Company in the locations where it operates.

Managing Non-Hazardous Waste
For non-hazardous waste, Bharat Forge's priority is to reduce waste at the source by purchasing and bringing only what is needed into its facilities. The Company has found solutions that require little, if any, investment, ensuring that its progress makes business as well as environmental sense. Some of the shared successes include the use of recycled cardboard boxes as filler for packing materials, biodegradable plastics for packaging, creating reusable pallets for parts delivery from vendors, as well as product delivery to customers to eliminate the use of wood pallets, and recycling initiatives for paper and plastic from offices and break rooms.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

Bharat Forge does not operate in/around ecologically sensitive areas. Since the Company operates in industrial areas/estates, its influence on biodiversity is very modest. In all areas of its operations, the Company is dedicated to regulatory environment compliance and ethical conduct.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances in the following format:

The Company complies with all applicable environmental laws.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

As indicated in the water risk assessment, the Company operates in a region with moderate water stress and faces potential risks regarding water quality and regulatory compliance. We have taken necessary mitigation measures to address the identified risk. However, the identified risk is not related to the availability.

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**
No

2. Please provide details of total Scope 3 emissions and their intensity, in the following format:
Scope-3 emissions are currently considered in Bharat Forge's emission calculations. The following are the calculated Emission values:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,83,621	5,17,997
Total Scope 3 emissions per rupee of turnover	Tonnes of CO2e per rupee of turnover	5.76	5.86
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Tonnes of CO2e per Ton of Production	2.03	1.99

Note: **Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**
Yes, DQS India (Deutsch Quality Systems Private Limited) has provided assurance regarding the data in the above indicator.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of the significant direct and indirect impact of the entity on biodiversity in such areas, along with prevention and remediation activities.
In all areas of its activities, Bharat Forge is dedicated to regulatory environment compliance and ethical conduct. Since the Company operates in industrial areas/estates, its influence on biodiversity is very modest.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1.	Use of Industry 4.0	Smart ESG (Digital ESG Data Management Platform): An in-house developed centralised digital platform for capturing, monitoring ESG parameters such as water, energy, waste and emissions across all plants. The system enables structured data entry, evidence upload and the integration of plant-level inputs into a single repository for reporting and decision-making.	Enables real-time monitoring of resource consumption patterns, facilitates timely identification of abnormal consumption. Supports data-driven corrective actions, improved resource efficiency, and enhances accuracy and transparency in ESG reporting.
2.	Health and Safety - BBS Reporting	An in-house digital tool to report the details of the BBS walkthrough taken up by the BBS observers	Helps in reporting and analysing the status of implementation of Behaviour-Based Safety as part of Health and Safety practices

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.
Yes, the Company recognises the importance of business continuity and has introduced policies to ensure mission-critical operations continue in the event of an interruption.

The Policy is available at - https://www.bharatforge.com/assets/pdf/corporateGovernance/BFL-Risk-Management-Policy.pdf

6. Disclose any significant adverse impact on the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?
The Supplier is expected to implement its binding Supplier Code of Conduct and make reasonable efforts to promote the Supplier Code's principles in its supply chain. During the fiscal year 2025-26, the Company screened all of its critical suppliers (78 in total) using social and environmental criteria and found no negative social or environmental impact on its value chain.

7. Percentage of value chain partners (by value of business done with such partners) assessed for environmental impact.
Bharat Forge has assessed 75.11 % of its value chain partners for environmental impact and found no negative social or environmental impact among its value partners.

8. How many Green Credits have been generated or procured
- By the listed entity - Not applicable

- By the top ten (in terms of value of purchases and sales, respectively) value chain partners – Not applicable

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/associations.
Bharat Forge is affiliated with 15 trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) that the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries [CII]	National
2	Society of Indian Defence Manufacturers	National
3	Indo-German Chamber of Commerce [IGCC]	National
4	Swedish Chamber of Commerce in India [SCCI]	National
5	Indo-American Chamber of Commerce [IACC]	National
6	Indo-French Chamber of Commerce in India [IFCCI]	National
7	Federation of Indian Chambers of Commerce & Industry [FICCI]	National
8	Mahratta Chamber of Commerce, Industries & Agriculture [MCCIA]	State
9	Bombay Chamber of Commerce & Industry	State
10	CII-FBN India Chapter Membership.	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.
There were no incidents of anti-competitive behaviour involving the Company during the reporting period (2025-26).

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:
The Company directly or through trade bodies and other associations puts forth many suggestions regarding the industry in general and its activities in particular.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief details of the Project	SIA Notification No.	Date of Notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:
NIL

3. Describe the mechanisms to receive and redress grievances of the community.
Bharat Forge has a CSR Team that regularly monitors the CSR Projects and continuously interacts with the concerned communities in the areas of operation during village visits, NGO meetings and workshops. The grievances as and when they arise are addressed in a timely manner and resolved by the CSR Team.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	8.50%	5.82%
Directly from within India	88.57%	86.40%

5. Job Creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	3.88%	2.88%
Semi- urban	1.26%	1.29%
Urban	20.30%	20.03%
Metropolitan	74.56%	75.81%

(Place to be categorised as per the RBI Classification System - rural/urban/metropolitan)

Note: As per the RBI Classification, Mundhwa and Keshavnagar are classified as Semi-Urban but for the purpose of disclosure have been classified as Metropolitan as part of Pune District. Similarly, Tandulwadi has been classified as Rural but has been considered as Urban at Sub-district level.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impact identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
Not Applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
1	Maharashtra	Bhandara	30,00,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)
Yes

(b) From which marginalised/vulnerable groups do you procure? -
The required aprons and boiler suits (uniforms) by Bharat Forge are procured from self help groups of women from community centres.

(c) What percentage of total procurement (by value) does it constitute?
The boiler suits and aprons required (uniforms) by Bharat Forge are provided by self help groups from community centres with approximately 20,20,000 in total procurement value.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.
Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein the usage of traditional knowledge is involved.
Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Village Development Project in more than 131 villages in Maharashtra State.	10,43,082 people from more than 131 villages	>90
2	Education Project in collaboration with Pratham Pune Education Foundation	5000 children from 7 divisions of Pune	100
3	Education Project in collaboration with Jnana Prabodhini	480 children from 5 different communities	100
4	Education Project in collaboration with Vidyarthi Sahayak Samiti	100 girl students pursuing engineering or a diploma	100
5	Women Empowerment - Community Centres, vocational training and income generation activities	900 women from all community centres located at (Hadapsar, Wadgaon Sheri and Keshav Nagar)	>75
6	Skilling through CoE at different places, including Vidya Pratishthan (Baramati), NTTC (Dimapur) and skills lab at ITI Khed and Malegaon.	3250 students pursuing a diploma or Engineering	>75
7	Waste management	600 families from the Hadapsar area	>75

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
   Customer response and satisfaction are two of the most critical aspects of business for Bharat Forge. The Company engages with its customers through various platforms to understand their expectations. The Company obtains customer feedback directly or by referring to the customer portal on a monthly basis. It compiles the "Voice of Customer Report" to identify reported areas of concern. Accordingly, corrective measures are planned and implemented. Customer satisfaction trends are compiled, monitored and reviewed by top management at defined intervals to get the directives for improvement.

2. **Turnover of products and/services as a percentage of turnover from all products/services that carry information about - Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/or safe disposal:**
   Products sold by Bharat Forge are completely recyclable as they are metal components. However, the environmental and social parameters relevant to the product as a percentage of the total turnover is not being estimated.

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cybersecurity	0	0	-	0	0	-
Delivery of essential services	NA	NA	-	NA	NA	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	0	0	-	0	0	-

4. **Details of instances of product recalls on account of safety issues:**
   No such instances were reported in the reporting period FY 2025-26.

5. **Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a web link to the policy.**
   Yes. The organisation follows established cybersecurity and data privacy frameworks, including ISO 27001 certification, TISAX certification, and alignment with NIST standards. The details are provided in the Company's Privacy policy, which is available at https://www.bharatforge.com/privacy-policy/

   An Information Security Policy has been implemented that provides support, management direction and documentation of how Information Security is managed throughout Bharat Forge. It outlines the appropriate measures through which the Company will facilitate the secure and reliable flow of information, both within the Company and externally.

   The policy sets out the principles and an overarching framework for Information Security. It also details the supporting policies and guidelines that will address aspects of security. The approach being adopted is based on the International Standard ISO/IEC 27001:2022 - The Code of Practice for Information Security Management. Bharat Forge's IT and Engineering division has been certified for ISO 27001 since 2006. Recently, the Defence division has been added to this certification scope.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cybersecurity and data privacy of customers; recurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**
   NA

7. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches** - NIL
   b. **Percentage of data breaches involving personally identifiable information of customer**s - NA
   c. **Impact, if any, of the data breaches** - NA

LEADERSHIP INDICATORS

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**
   Bharat Forge's website provides information about all of its products. The link to the Company website is https://www.bharatforge.com/.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
   Since the Company's products are supplied directly to OEMs who assemble and send the end product to the general customer, Bharat Forge has limited scope to inform and educate the end user about the safe and responsible use of its products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
   Since the Company's products are supplied directly to OEMs who assemble and send the end product to the general customer, Bharat Forge has limited scope to inform the end user about the risk of disruption/discontinuation of its essential service.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide brief details. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**
   Yes. Since the Company's products are OEM-specific, as per OEM requirements, the Company displays product requirements on the packaging itself. This is consistent with applicable laws. Typical information displayed on the product includes details about the manufacturer, heat code, process no., dispatch no., part no., etc.

   Yes. Customer response and satisfaction are two of the most important factors for Bharat Forge. The Company engages with its customers on various platforms to understand their expectations.

   The Company obtains customer feedback directly or by referring to the customer portal on a monthly basis. It compiles the "Voice of Customer Report" to identify reported areas of concern. Accordingly, corrective measures are planned and implemented. Customer satisfaction trends are compiled, monitored and reviewed by top management at defined intervals to get the directives for improvement.

INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT

To the Board of Directors of Bharat Forge Limited

Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) disclosures

Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) Core Format[1] (called 'Identified Sustainability Information' (ISI) of Bharat Forge Limited (the 'Company') for the period 1 April 2025 to 31 March 2026. The ISI is included in the Business Responsibility and Sustainability Report of the Company for the period from 1 April 2025 to 31 March 2026.

Opinion

We have performed a reasonable assurance engagement on whether the Company's sustainability disclosures in the BRSR Core Format (refer Appendix 1 of this report) for the period from 1 April 2025 to 31 March 2026 have been prepared in accordance with the Reporting Criteria (refer table below).

Identified Sustainability Information (ISI) subject to assurance	Period subject to assurance	Reporting criteria
BRSR Core (refer Appendix 1)	From 1 April 2025 to 31 March 2026	- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) - Master Circular for compliance with the provisions of the SEBI LODR by listed entities, dated January 30, 2026 (Master Circular) prescribing • Format of the BRSR • Guidance notes for BRSR format - Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised) developed by World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental and social professionals.

In our opinion, the Company's Identified Sustainability Information in the Business Responsibility and Sustainability Report (BRSR) section of its Integrated Annual Report for the period 1 April 2025 to 31 March 2026, is prepared, in all material respects, in accordance with the Regulation 34(2)(f) of SEBI LODR, Master Circular, the Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised) developed by World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) and as per the Reporting Boundary as set out in BRSR - Section A: General Disclosures.

Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[1] As per SEBI Master circular number SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026

Other information

The Company's Management and the Board of Directors are responsible for the "Other Information". The Other Information comprises the information included in the Company's Integrated Annual Report (but does not include the BRSR Core and assurance report thereon). The Company's Integrated Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance opinion on the BRSR Core does not cover the Other Information and we are not expressing any form of assurance conclusion thereon.

In connection with our assurance on the BRSR Core, our responsibility is to read the Other Information identified above when it becomes available, and, in doing so, consider whether the Other Information is materially inconsistent with the BRSR Core, or our knowledge obtained in the assurance, or otherwise appears to be materially misstated. When we read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and describe actions under the applicable laws and regulations.

Intended use or purpose

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR Core attributes, the Reporting Criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Management's responsibilities for the Identified Sustainability Information (ISI)

The management of the Company acknowledge and understand their responsibility for:

- designing, implementing and maintaining internal controls relevant to the preparation of the ISI so that it is free from material misstatement, whether due to fraud or error;
- selecting or establishing suitable criteria for preparing the ISI, taking into account applicable laws and regulations, if any, related to reporting on the ISI, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the ISI in accordance with the Reporting Criteria;
- disclosure of the applicable criteria used for preparation of the ISI in the Integrated Annual Report;
- preparing/fairly stating/properly calculating the ISI in accordance with the Reporting Criteria;
- ensuring the Reporting Criteria is available for the intended users with relevant explanation;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- providing the details of the management personnel who take ownership of the ISI disclosed in the Integrated Annual Report;
- ensuring compliance with law, regulation or applicable contracts;
- making judgements and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the Reporting Criteria;
- preventing and detecting fraud;
- selecting the content of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI;
- supervision of other staff involved in the preparation of the ISI.

Those Charged With Governance are responsible for overseeing the reporting process for the Company's ISI.

Inherent limitations

The preparation of the Company's BRSR requires the management to establish or interpret the Reporting Criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

Our responsibilities
We are responsible for:

- planning and performing the engagement to obtain reasonable assurance that the BRSR Core disclosures arefree from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria in line with the section above.
- forming an independent opinion, based on the procedures we have performed and the evidence we have obtained, and
- reporting our reasonable assurance opinion to the Board of Directors of the Company.

Summary of the work we performed as the basis for our opinion

We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information covered by reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the ISI covered by reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal controls relevant to the information covered by reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

In carrying out our engagement, we:

- assessed the suitability of the Reporting Criteria used by the Company in preparing the information covered by reasonable assurance;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the ISI covered by reasonable assurance and the reasonableness of estimates made by the Company; and
- evaluated the overall presentation of the information covered by reasonable assurance.

Exclusions
Our assurance scope excludes the following and therefore we will not express an opinion on the same:

- Any form of review of the commercial merits, technical feasibility, accuracy of claims, compliance with applicable legislations. We have not verified any of the judgements in relation to commercial risks associated with the business activities.
- Operations of the Company other than those under the Reporting Boundary set out in the section A of BRSR section of the Integrated Annual Report (Scope of Assurance).
- The Company's statements that describe the strategy, progress on goals (other than those listed under the scope of assurance as mentioned above), expression of opinion, claims, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from 1 April 2025 to 31 March 2026.

For KPMG Assurance and Consulting Services LLP

Ravi Kant Thakur
Partner

Date: June 23, 2026
Place: Gurugram

APPENDIX-I

BRSR CORE ATTRIBUTES - FY 2025-26

Principle	Attribute/Area	Parameter/Metric	Type of Assurance
Principle 1 - E8	Fairness in Engaging with Customers and Suppliers	Number of days of accounts payable	Reasonable
Principle 1 - E9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Reasonable
Principle 3 - E1 c	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)	Reasonable
Principle 3 - E11		Details of safety related incidents (LTIFR, Recordable Injuries, Fatalities, High Consequence Injuries)	Reasonable
Principle 5 - E3 b	Enabling Gender Diversity in Business	Gross wages paid to females as % of total wages paid by the entity	Reasonable
Principle 5 - E7		Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Reasonable
Principle 6 - E1	Energy Footprint	Total energy consumption	Reasonable
		Energy intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)	Reasonable
Principle 6 - E3	Water Footprint	Provide details of water withdrawal by source	Reasonable
		Total water consumption	Reasonable
		Water consumption intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)	Reasonable
Principle 6 - E4	Water Footprint	Water Discharge by destination and levels of Treatment	Reasonable
Principle 6- E7	GHG Footprint	Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Reasonable
		Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Reasonable
		GHG Emission Intensity (Scope 1+2) (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)	Reasonable
Principle 6 - E9	Embracing circularity - waste details	Provide details related to waste generated by category of waste	Reasonable
		Waste intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)	Reasonable
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	Reasonable
		For each category of waste generated, total waste disposed by nature of disposal method	Reasonable
Principle 8 - E4	Enabling Inclusive Development	Percentage of input material (inputs to total inputs by value) sourced from suppliers (MSMEs/small suppliers and directly within India)	Reasonable
Principle 8 - E5		Job creation in smaller towns: Wages paid to persons employed in smaller towns as % of total wage cost	Reasonable
Principle 9 - E7	Fairness in Engaging with Customers and Suppliers	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable

Independent Auditor's Report

To the Members of Bharat Forge Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Bharat Forge Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Revenue from Sale of Goods

See Note 2.2(e) and Note 24 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of goods. The Company manufactures specialised forged, machined and defence related products as per specifications provided by its customers. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Company and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognised before the control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the Company's accounting policies for revenue recognition by comparing with applicable accounting standards. • We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue. • We applied data enabled audit techniques to analyse the population of revenue transactions to identify unusual trends and outliers. • To assess the reliability of information used in the data enabled audit techniques, we evaluated the accuracy of key data fields by testing selected underlying source documents and matching them to accounting records on a sample basis. • We have received and inspected the confirmations for revenue recognised during the period from key related parties. Additionally, we reviewed the Company's arm's length assessment and engaged our internal specialist to validate the analysis. • We tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred. • We scrutinised journal entries and used data analytics procedures to identify manual journals posted to revenue accounts, focusing on unusual combinations of users and account pairings amongst others.

Independent Auditor's Report (Contd.)

Assessment of impairment of investments in subsidiaries
See Note 2.2(o) and Note 06 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has significant investments in subsidiaries as at 31 March 2026. The Company periodically assesses if there are any impairment indicators for recognising impairment loss in respect of these investments. The Company has recorded an impairment of INR 4,996.50 million towards investment in one of its subsidiaries. The estimation of the recoverable amount of each investment is based on complex assumptions. Considering that significant judgment is required and the underlying complexity of the assumptions used, this is considered as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient and appropriate audit evidence: • We obtained an understanding of the Company's process for assessing the indicators of impairment of investments, and for the estimation of the recoverable value, wherever necessary. • We evaluated the design, implementation and operating effectiveness of key internal controls over impairment assessment of investments in subsidiaries. • We assessed the models used by the Company to estimate the recoverable value of relevant investments, and consistency with the applicable Ind AS. • We evaluated the appropriateness of key inputs and assumptions used in the cash flow projections including discount rates, expected growth rates, terminal growth rates and margins. • We performed retrospective analysis of management's cash flow projections for assessing reasonability of forecasts. • We involved specialists to assist us in evaluating the impairment models, assumptions and estimates. • We performed sensitivity analysis of key assumptions to ascertain the extent of change in those assumptions that could change the outcome of the impairment assessments.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report's thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Independent Auditor's Report (Contd.)

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.

Independent Auditor's Report (Contd.)

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 1 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report (Contd.)

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 19(a) to the standalone financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except for delay in depositing ₹ 0.13 million for more than 13 years which is unpaid as at 31 March 2026.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the during the and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 17 to the financial statements, the Board of Directors of the proposed final dividend for the which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which include test checks, the Company, has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except for the instances reported below:

(i) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.

Independent Auditor's Report (Contd.)

(ii) The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.

(iii) The payroll accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.

Further, for the periods where audit trail facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the company as per the statutory requirements for records retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN:26103334OWSBPX4730

Place: Pune
Date: 07 May 2026

Independent Auditor's Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED 31 MARCH 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
FLAT- G/8 SAI NAGARI SOC K.NAGAR	₹ 0.31 million	Shri. Anajwala Khozema F & Smt. Anajwala Amina	No	1 April 1987	Not in dispute. Index II awaited by the Company.

Title deeds for two immovable properties amounting to gross block of ₹ 0.28 million are not available and hence we are unable to comment on the same.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or advances in the nature of loans whether secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any

Independent Auditor's Report (Contd.)

investments in or granted any loans, secured or unsecured, to firms and limited liability partnership.The Company has made investments in companies, provided guarantees and granted unsecured loans to companies and other parties, in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, or stood guarantee to any other entity as below:

In ₹ Million

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	901.08	132.12
Joint ventures*	-	-
Associates*	-	-
Others	-	33.99
Balance outstanding as at balance sheet date in respect of above cases		
Subsidiaries*	853.65	-
Joint ventures*	-	-
Associates*	-	-
Others	-	25.21

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans, secured or unsecured and guarantees given during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the cases mentioned below:

The loan of ₹ 210.66 million given to BF Elbit Advanced Systems Private Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The interest thereon amounting to ₹ 18.07 million has been converted to loan as on 31 March 2026.

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

In ₹ Million

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
(i) JS Auto Cast Foundry India Private Limited *	114.05	114.05	86.33%

*The outstanding loan amount as at 31 March 2026 is Nil.

Independent Auditor's Report (Contd.)

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

In ₹ Million

	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand (A)	210.66	-	210.66
- Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	**210.66**	**-**	**210.66**
Percentage of loans to the total loans	100%	-	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable. However, according to the information and explanations given to us, in respect of deposits accepted earlier under relevant provisions of the erstwhile Companies Act, 1956, and the rules framed thereunder, there are certain unclaimed deposits amounting to ₹ 0.04 million including interest thereon which are subject to litigation.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by it, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable, except as mentioned below:

Delay in depositing due of ₹ 0.13 million in the Investor Education and Protection Fund ('IEPF').

Independent Auditor's Report (Contd.)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

In ₹ Million

Name of the statute	Nature of the dues	Amount (₹)	Paid Under Protest	Period to which the amount relates	Forum where dispute is pending
Property Tax	Demand received for differential Property Tax	315.22	315.22	FY 2004-05 to FY 2010-11, FY 2023-24 to FY 2024-25	High Court, Mumbai
Property Tax	Demand received for differential Property Tax	208.62	208.62	FY 2011-12 to 2022-23, FY 2025-26	District Court, Pune
Customs Act, 1962	Demand received for wrong availment of duty drawback	200.71	157.41	FY 2011-12, FY 2012-13 & FY 2013-14	High Court, Mumbai
Customs Act, 1962	Test of 'unjust enrichment' as the entries w.r.t. duty payment were not reflecting under the head 'Receivables' in the Balance Sheet of the Company for the FY	26.68	26.68	FY 2013-14	CESTAT, Mumbai
Customs Act, 1962	Demand received short payment of duty u/s 28(A) of Customs Act, 1962.	1.72	-	FY 2019-20, 2020-21 & 2021-22	Commissioner of Customs, Appeals,Mumbai
Customs Act, 1962	Demand of penalty imposed u/s 125(1) and 112 (a) of Customs Act, 1962.	0.50	-	FY 2024-25	Commissioner of Customs, Appeals,Mumbai
Customs Act, 1962	Inapropriate utilisation of MEIS Scrips against payment of differential duty towards Education Cess and SHE Cess	12.39	-	FY 2019-20	CESTAT, Mumbai
Customs Act, 1962	Non payment of IGST upon clearance of re-imported goods	94.91	56.06	FY 2019-20 to FY 2021-22	CESTAT, Mumbai
Customs Act, 1962	Levy of interest on IGST on goods imported under EPCG scheme	83.08	83.08	FY 2018-19 & 2019-20	Commissioner of Customs, Appeals, Chennai
Central Excise Act, 1944	Duty demand on subsidy amount received under PSI (Package Scheme of Incentives) scheme.	283.06	-	FY 2004-05, 2005-06, 2006-07, 2009-10, 2010-11, 2011-12, 2012-13	Commissioner of Central Excise, Pune III Commissionerate

Independent Auditor's Report (Contd.)

In ₹ Million

Name of the statute	Nature of the dues	Amount (₹)	Paid Under Protest	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Short reversal of CENVAT credit taken on the Inputs written off	9.34	4.67	FY 2009-10, 2010-11, 2011-12 & 2012-13	CESTAT, Mumbai
Central Excise Act, 1944	Availment of Ineligible Input Tax credit	2.79	2.79	FY 2004-05, 2005-06 & 2006-07	Additional Director DGCEI Zonal Unit Mumbai
Central Excise Act, 1944	Removal of excisable goods manufactured in the factory by way of writing off in the books of accounts without payment of duty	11.53	-	FY 2004-05 & 2005-06	High Court, Mumbai
Central Excise Act, 1944	Non payment of service tax under reverse charge mechanism on Ocean Freight services availed	2.24	-	FY 2016-17 & 2017-18	Deputy Commissioner of Central GST
Goods and Services Tax, 2017	Inappropriate availment of Input Tax Credit	5.20	0.19	FY 2021-22	Superintendent of Central Goods & Service Tax
Income Tax Act, 1961	Income tax payable in regard to non deduction of withholding taxes u/s 195	54.92	54.92	AY 2014-15	High Court, Mumbai
Income Tax Act, 1961	Income tax payable in regard to disallowance of deduction for Inhouse Research and Development Expense u/s 35 (2AB) and general deductions u/s 14A and 37	55.28	11.06	AY 2017-18, AY 2018-19 & AY 2020-21	Commisioner of Income Tax (Appeals) National Faceless Appeal Centre
Income Tax Act, 1961	Inconsistences between Return of Income and Tax Audit Report with respect to Capital Gains	8.41	-	AY 2024-25	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Inappropriate TDS deductions for transactions with foreign parties	5.87	1.00	AY 2024-25	Joint Commissioner (Appeals)
Income Tax Act, 1961	Income tax payable in regard to disallowance of deduction for Inhouse Research and Development Expense u/s 35 (2AB)	5.16	-	AY 2013-14, AY 2015-16 & AY 2016-17	High Court, Mumbai

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

Independent Auditor's Report (Contd.)

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year. The unutilised proceeds from the private placement of shares made in the previous year amounting to ₹ 5,500.39 million have been fully used for the purposes for which the funds were raised.

Further, Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

Accordingly, further reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

Independent Auditor's Report (Contd.)

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN:26103334OWSBPX4730

Place: Pune
Date: 07 May 2026

Independent Auditor's Report (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Bharat Forge Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Independent Auditor's Report (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN:26103334OWSBPX4730

Place: Pune
Date: 07 May 2026

Balance Sheet

as at March 31, 2026

In ₹ Million

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	28,301.04	28,183.43
(b) Capital work-in-progress	3	7,275.20	8,381.31
(c) Investment property	4	281.63	281.63
(d) Intangible assets	5	37.10	27.74
(e) Right-of-use asset	35	2,538.70	2,800.58
(f) Financial assets			
(i) Investment in subsidiaries, joint ventures and associates	6	54,411.31	43,648.37
(ii) Other investments	7	4,267.51	4,152.44
(iii) Trade receivables	12	117.98	118.03
(iv) Loans	8	37.67	58.54
(v) Derivative instruments	9	-	289.02
(vi) Other financial assets	10	1,527.60	1,452.31
(g) Income tax assets (net)		255.08	278.36
(h) Deferred tax assets (net)	21	467.69	-
(i) Other non-current assets	14	1,776.88	1,983.25
		101,295.39	**91,655.01**
II. Current assets			
(a) Inventories	11	15,700.93	15,401.74
(b) Financial assets			
(i) Investments	7	9,502.65	12,647.62
(ii) Trade receivables	12	41,295.10	38,199.59
(iii) Cash and cash equivalent	13	3,590.59	3,589.24
(iv) Other bank balances	13	114.26	5,696.13
(v) Loans	8	20.44	151.28
(vi) Derivative instruments	9	-	600.57
(vii) Other financial assets	10	1,125.82	724.45
(c) Other current assets	14	2,633.84	3,936.86
		73,983.63	**80,947.48**
Total assets		**175,279.02**	**172,602.49**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	956.27	956.27
(b) Other equity	16	108,926.08	108,686.42
Total equity		**109,882.35**	**109,642.69**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	10,515.98	6,594.19
(ii) Lease liabilities	35	2,756.28	2,951.44
(iii) Derivative instruments	19(a)	1,582.36	67.45
(iv) Other financial liabilities	19	30.02	54.04
(b) Provisions	20	1,283.36	909.81
(c) Deferred tax liabilities (net)	21	-	1,066.54
(d) Other non-current liabilities	23	585.55	-
		16,753.55	**11,643.47**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	27,128.97	33,222.58
(ii) Lease liabilities.	35	196.32	188.38
(iii) Trade payables	22		
Dues to micro enterprises and small enterprises		324.00	136.25
Dues to other than micro enterprises and small enterprises		13,686.83	13,727.07
(iv) Derivative instruments	19(a)	2,971.06	135.66
(v) Other financial liabilities	19	1,344.48	1,064.29
(b) Other current liabilities	23	1,398.24	1,174.29
(c) Provisions	20	1,413.28	1,408.36
(d) Current tax liabilities (net)		179.94	259.45
		48,643.12	**51,316.33**
Total liabilities		**65,396.67**	**62,959.80**
Total equity and liabilities		**175,279.02**	**172,602.49**

The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Statement of Profit and Loss

for the year ended March 31, 2026

In ₹ Million

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	24	83,956.78	88,437.30
Other income	25	1,444.57	1,588.53
Total income [i]		**85,401.35**	**90,025.83**
EXPENSES			
Cost of raw materials and components consumed	26	34,933.31	35,911.27
Changes in inventories of finished goods, work-in-progress, dies and scrap	27	(2,476.82)	10.39
Employee benefits expense	28	6,760.05	6,366.06
Finance costs	29	1,821.74	2,498.14
Depreciation and amortisation expenses	30	4,480.49	4,403.69
Other expenses	31	21,674.48	21,115.50
Total expenses [ii]		**67,193.25**	**70,305.05**
Profit before exceptional items and tax [i - ii]		**18,208.10**	**19,720.78**
Exceptional items (loss)	32	(5,495.85)	(1,533.14)
Profit before tax		**12,712.25**	**18,187.64**
INCOME TAX EXPENSE	21		
Current tax		4,728.08	5,122.06
Deferred tax (credit)		(203.24)	(156.93)
Income tax expense		**4,524.84**	**4,965.13**
Profit for the year		**8,187.41**	**13,222.51**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
- Remeasurement gain/(loss) on defined benefit plans	33	119.44	(176.54)
- Net (loss) on FVTOCI equity investments	33	(383.59)	(316.91)
		(264.15)	**(493.45)**
Income tax effect		24.80	35.79
	[a]	**(239.35)**	**(457.66)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
- Net movement on cash flow hedges	33	(5,189.88)	(1,050.03)
Income tax effect		1,306.19	264.27
	[b]	**(3,883.69)**	**(785.76)**
Other comprehensive (loss) for the year (net of tax)	**[a+b]**	**(4,123.04)**	**(1,243.42)**
Total comprehensive income for the year (net of tax)		**4,064.37**	**11,979.09**
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2025: ₹ 2/-)]	34		
Basic (in ₹)		17.12	28.16
Diluted (in ₹)		17.12	28.16

The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Statement of Changes in Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 2/- each issued, subscribed and fully paid

	No.
As at March 31, 2026	**478,088,632.00**
Changes in equity share capital during the year	**-**
As at March 31, 2025	478,088,632.00
Changes in equity share capital during the year	12,500,000.00
As at April 01, 2024	465,588,632.00

(1) For the year ended March 31, 2026

In ₹ Million

Balance as on April 1, 2025	Changes in equity share capital during the current year	Balance as on March 31, 2026
956.27	**-**	**956.27**

(2) For the year ended March 31, 2025

In ₹ Million

Balance as on April 1, 2024	Changes in equity share capital during the current year	Balance as on March 31, 2025
931.27	**25.00**	**956.27**

B. OTHER EQUITY

In ₹ Million

	Reserves and Surplus [Refer note 16]				Items of OCI [Refer note 16]		
	Securities premium	Capital reserves	General reserve	Retained earnings	Equity Instruments through Other Comprehensive Income	Cash flow hedge reserve	Total
Balance as at April 1, 2025	**23,103.22**	**15.50**	**3,230.48**	**81,771.45**	**5.33**	**560.44**	**108,686.42**
- Profit for the year	-	-	-	8,187.41	-	-	8,187.41
- Other Comprehensive Income/(loss)	-	-	-	89.38	(328.73)	(3,883.69)	(4,123.04)
Total comprehensive income	**-**	**-**	**-**	**8,276.79**	**(328.73)**	**(3,883.69)**	**4,064.37**
Transaction with owners in their capacity as owners							
- Final Equity dividend	-	-	-	(2,868.53)	-	-	(2,868.53)
- Interim equity dividend	-	-	-	(956.18)	-	-	(956.18)
Balance as at March 31, 2026	**23,103.22**	**15.50**	**3,230.48**	**86,223.53**	**(323.40)**	**(3,323.25)**	**108,926.08**
Balance as at April 1, 2024	**6,930.89**	**15.50**	**3,230.48**	**72,902.60**	**330.88**	**1,346.20**	**84,756.55**
- Profit for the year	-	-	-	13,222.51	-	-	13,222.51
- Other Comprehensive Income	-	-	-	(132.11)	(325.55)	(785.76)	(1,243.42)
- Premium on allotment of equity shares **(Refer note 15)**	16,475.00	-	-	-	-	-	16,475.00
- Expenses on allotment of equity shares	(302.67)	-	-	-	-	-	(302.67)
Total comprehensive income	**16,172.33**	**-**	**-**	**13,090.40**	**(325.55)**	**(785.76)**	**28,151.42**
Transaction with owners in their capacity as owners							
- Final Equity dividend	-	-	-	(3,026.33)	-	-	(3,026.33)
- Interim equity dividend	-	-	-	(1,195.22)	-	-	(1,195.22)
Balance as at March 31, 2025	**23,103.22**	**15.50**	**3,230.48**	**81,771.45**	**5.33**	**560.44**	**108,686.42**

The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Kedar Dixit
Senior Vice President and CFO

Place: Pune
Date: May 07, 2026

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Cash Flow Statement

for the year ended March 31, 2026

In ₹ Million

	Year ended March 31, 2026	Year ended March 31, 2025
OPERATING ACTIVITIES		
Profit after exceptional items and before tax	**12,712.25**	**18,187.64**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	4,480.49	4,403.69
Unrealised foreign exchange loss/MTM (net)	1,467.76	223.62
Interest income	(488.47)	(566.24)
Liabilities/provisions no longer required written back	(23.62)	(25.14)
Provision for doubtful debts and advances (including expected credit loss) (net)	39.95	-
Bad debts/advances written off	0.10	-
Finance costs	1,821.74	2,498.14
(Gain)/loss on sale of property, plant and equipment (net)	(178.73)	0.99
Dividend income from investments	(9.04)	(8.34)
Net (gain) on sale of financial investments	(474.94)	(1,331.04)
Net loss on fair valuation of financial instruments (FVTPL)	186.57	767.30
(Gain) on sale of investment in joint venture	-	(135.36)
Non cash exceptional items	4,582.95	1,659.16
Operating profit before working capital changes	**24,117.01**	**25,674.42**
Working capital adjustments:		
(Increase) in trade receivables	(2,456.23)	(2,018.61)
(Increase) in inventories	(3,637.60)	(2,106.89)
(Increase)/decrease in other financial assets	(227.82)	177.42
Decrease/(increase) in other assets	1,168.77	(738.82)
Increase in provisions	503.71	590.07
Increase in trade payables	194.51	1,047.44
Increase/(decrease) in other financial liabilities	436.00	(150.81)
Increase/(decrease) in other liabilities	118.91	(204.64)
Cash generated from operations	**20,217.26**	**22,269.58**
Income taxes paid (net of refunds)	(4,777.55)	(5,257.97)
Net cash flows from operating activities (A)	**15,439.71**	**17,011.61**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, Investment property and intangible assets (including capital work-in-progress, capital creditors and capital advances)	(3,233.46)	(6,170.90)
Proceeds from sale of property, plant and equipment and intangible assets	225.90	10.50
Investment in subsidiaries, associates and joint ventures	(11,226.44)	(16,249.11)
Proceeds from sale of investment in joint ventures	-	1,054.50
Proceeds from loan given to subsidiaries and associates	114.05	-
Investments in mutual funds, fixed deposits and other deposits	(120,197.02)	(133,824.24)
Proceeds from sale of financial instruments including fixed deposits	128,466.52	126,374.60
Interest received	295.17	389.19
Dividends received	9.04	8.34
Net cash flows (used in) investing activities (B)	**(5,546.24)**	**(28,407.12)**
FINANCING ACTIVITIES		
Dividend on equity shares	(3,796.55)	(4,220.93)
Interest on lease liabilities	(275.16)	(291.21)
Interest paid on borrowing and other liabilities	(1,495.02)	(2,332.83)
Proceeds from Issuance of Equity share capital under Qualified Institutional Placement (QIP)	-	16,500.00
Transaction cost related to Qualified Institutional Placement (QIP)	-	(302.67)
Payment of principal portion of lease liabilities	(188.52)	(170.26)
Proceeds from borrowings including bill discounting (net of expenses)	136,765.25	81,370.67
Repayment of borrowings including bill discounting	(140,849.01)	(85,982.40)
Net cash flows (used in)/from financing activities (C)	**(9,839.01)**	**4,570.37**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**54.46**	**(6,825.14)**
Net foreign exchange difference	(53.11)	1.51
Cash and cash equivalents at the beginning of the year*	**3,589.24**	**10,412.87**
Cash and cash equivalents at the end of the year*	**3,590.59**	**3,589.24**

*Excluding earmarked balances

Cash Flow Statement

for the year ended March 31, 2026 (contd.)

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balances with banks (Note 13):		
In cash credit and current accounts	3,590.21	2,805.51
Deposits with original maturity of less than three months	-	783.20
Cash on hand	0.38	0.53
Total	**3,590.59**	**3,589.24**

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Notes to Standalone Financial Statements

for the year ended March 31, 2026

1. CORPORATE INFORMATION

Bharat Forge Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of forged and machined components, including aluminium castings for the Auto and industrial sectors as well as assembled products for the Defence industry. The Company caters to both domestic and international markets. The registered office of the Company is located at Mundhwa, Pune. The Company has manufacturing facilities at Mundhwa, Baramati, Chakan, Satara, and Nellore locations. The Company's CIN is L25209PN1961PLC012046. The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 07, 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer to accounting policy regarding financial instruments).

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Summary of Material Accounting Policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in a normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within 12 months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

a. Current versus non-current classification (contd.)

A liability is current when:

- it is expected to be settled in a normal operating cycle
- it is held primarily for trading
- it is due to be settled within 12 months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

The Company initially records transactions in foreign currencies in its functional currency spot rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot exchange rates on the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise, except for differences pertaining to long-term foreign currency monetary items as mentioned subsequently.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

c. Investment in subsidiaries, joint ventures and associates

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less accumulated impairment [Refer to Note 2.2(o)].

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

d. Fair value measurement

The Company measures financial instruments at fair value on each balance sheet date.

Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

The Company uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved in the valuation of significant assets, such as properties and unquoted financial assets. The Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and professional standards. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

d. Fair value measurement (contd.)

This note summarises accounting policy for fair value. Other fair value-related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 52)
- Quantitative disclosures of fair value measurement hierarchy (Note 48)
- Investment in unquoted equity shares (Note 7)
- Investment properties (Note 4)
- Financial instruments (including those carried at amortised cost) (Note 49)

e. Revenue from operations

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The policy on recognising revenue is determined by the five-stage model proposed in Ind AS 115 "Revenue from contracts with customers".

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 52(3).

Sale of goods

Revenue from the sale of goods is recognised when the performance obligation is satisfied and it usually coincides with the point in time when control of the asset is transferred to the customer, generally on the date of the bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 240 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

In case of bill and hold arrangements, revenue is recognised when the Company completes its performance obligation to transfer control of the goods to the customer in accordance with the agreed-upon specifications in the contract, for which the customer has accepted control. Such goods are identified and kept ready for delivery based on which revenue is recognised.

Tooling income

Revenue from tooling income is recognised when the performance obligation is satisfied and it usually coincides with the point in time when the control of the die is transferred, which is generally on receipt of the customer's approval (referred to as the production parts approval process or PPAP) as per the terms of the contract.

Sale of services

Revenue from the sale of services is in the nature of job work on customer products, which normally takes 1–4 days for completion. Accordingly, revenue is recognised when products are sent to the customer for which job work is completed. The normal credit period is 60 days.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

e. Revenue from operations (contd.)

Service-type warranty

Apart from assurance-type warranties covered in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for a predefined period during the tenure of warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of products and service-type warranties comprise two performance obligations because the product and service-type warranties are distinct within the context of the contract. Using a relative standalone selling price basis, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price. Refer to the accounting policies of financial assets in Note 2.2: Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in the form of an advance from the customer (or an amount of consideration is due). If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs the obligation as per the contract.

f. Other Income

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates expected cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

g. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match it with the related costs, which it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and allocated to the statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

g. Government grants (contd.)

When governments or related institutions provide loans or similar assistance with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export incentives

Income from export incentives is accounted for on the export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and the temporary differences will probably not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed on each reporting date and are recognised to the extent that future taxable profits will probably allow the deferred tax asset to be recovered.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

h. Taxes (contd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Indirect taxes paid on the acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i. Property, plant and equipment

Property, plant and equipment are stated at the cost of acquisition or construction, net of accumulated depreciation and impairment loss (if any). On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Internally manufactured property, plant and equipment are capitalised at cost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria as per Ind AS 16 are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

i. Property, plant and equipment (contd.)

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted (if appropriate).

Depreciation for identified components is computed on a straight-line method based on useful lives, determined based on internal technical evaluation as follows:

Type of asset	Schedule II life (years)	Useful lives estimated by the management (years)
Building - Factories	30	30
Buildings - Others (including roads)	5 to 60	5 to 60
Plant and machineries	15	1 to 23
Plant and machineries - Dies	15	1 to 7
Plant and machineries - Windmill	25	19
Plant and machineries Computers	3	3
Office equipment	5	5
Railway sidings	15	10
Electrical installations	10	10
Factory equipment	10	10
Furniture and fixtures	10	5 to 10
Vehicles	8	8
Aircraft	20	7 to 18

Expenditure on power lines is amortised on a straight-line basis over a period of six years.

The Company, based on a technical assessment made by a technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

j. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

j. Investment properties (contd.)

Although the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in Note 4. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer, applying a valuation model.

The investment properties held by the Company are in the nature of freehold land and hence are not subject to depreciation.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

In determining the amount of consideration from the derecognition of an investment property, the Company considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

k. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which it is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives are recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the statement of profit and loss when the asset is derecognised.

The summary of the amortisation policy applied to the Company's intangible assets is as follows:

Type of asset	Life (years)
Computer software	3
Technology licences	5

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell the asset

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

k. Intangible assets (contd.)

- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure the expenditure reliably during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expenses are recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset. During the period of development, the asset is tested for impairment annually.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to borrowing costs.

m. Leases

The Company assesses at contract inception whether a contract is, or contains i,e, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

I) Right-of-use assets

The Company recognises right-of-use assets on the commencement date of the lease (i.e., the date the underlying assets are available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life estimated by management (years)
Buildings	2 to 18 years
Leasehold land	95 years
Plant and machinery	15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (o) Impairment of non-financial assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

m. Leases (contd.)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those with a lease term of 12 months or less from the commencement date and those that do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

n. Inventories

The cost of inventories has been computed to include all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on a weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of work-in-progress and finished goods is determined on a weighted average basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

n. Inventories (contd.)

Scrap is valued at net realisable value.

Dies are valued at cost or net realisable value. The cost includes direct material, labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of dies is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

o. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Other key assumptions include the growth rate, the weighted average cost of capital, the terminal growth rate and changes in working capital. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that the previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the Company estimates the asset or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

p. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, an outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of a past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty

Provision for assurance-type warranties predominantly covers risk arising from expected claims for damages on the products sold by the Company, based on the expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty-related costs is revised annually.

q. Post-employment and other employee benefits

Provident fund

The Company operates two plans for its employees to provide employee benefits in the nature of a provident fund.

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the "Bharat Forge Company Limited Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The cost of providing benefits under the above-mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as an asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

q. Post-employment and other employee benefits (contd.)

As for employees not covered under the above scheme, their portion of the provident fund is contributed to the Government-administered provident fund which is a defined contribution scheme.

The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contributions payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Gratuity, Post-retirement medical benefits and pension:

The Company operates two defined benefits plans for its employees, viz., gratuity and the special gratuity schemes. Payment for the present liability of future payment of gratuity is being made to approve gratuity funds. The special gratuity scheme is unfunded. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year-end. A Separate actuarial valuation is carried out for each plan using the project unit credit method.

The Company provides certain additional post-employment healthcare benefits and a defined benefit pension plan to certain key management personnel. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Under this unfunded scheme, Key managerial personnel of Bharat Forge Limited receive medical benefits and pension, depending on their grade and location at the time of retirement (subject to certain limits on amounts of benefits, for periods after retirement and types of benefits). The Company recognises liability for post-retirement medical and pension scheme based on an actuarial valuation.

Remeasurements, comprising actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment
- the date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

q. Post-employment and other employee benefits (contd.)

Superannuation

Retirement benefit in the form of a superannuation plan is a defined contribution plan. Defined contributions to insurance Companies for employees covered under the Superannuation scheme are accounted for at the rate of 15% of such employees' basic salary. The Company recognises expenses on the contribution paid/payable to the defined contribution plan as and when an employee renders the relevant service. If the contribution already paid exceeds the contribution due for service before the balance sheet date, such excess is recognised as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. If the contribution already paid is lower than the contribution due for service before the balance sheet date, the Company recognises that difference as a liability. The Company has no obligation, other than the contribution payable to the superannuation fund.

Privilege leave benefits

Accumulated leave, expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated on the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at year-end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current provision in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as a non-current provision.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of these benefits; and (b) when the entity recognises the cost for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured based on the number of employees who have accepted the offer till the reporting date. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets (other than those measured at fair value through profit or loss) are added to the fair value measured on initial recognition.. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised in consolidated profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

r. Financial instruments (contd.)

the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortised cost
- Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at the amortised cost using the effective interest rate (EIR) method. The amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to exchange-traded funds, trade and other receivables.

The Company intends to hold its investment in open-ended target maturity funds (i.e. exchange-traded funds/ ETFs) till maturity. It may be noted that these funds have a predetermined maturity date. These funds follow a passive buy and hold strategy, in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such a strategy mitigates intermittent price volatility in open-ended target maturity funds' underlying investments, and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupons and maturity,and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open-ended target maturity funds meet the requirements of the SPPI test as per the requirements of Ind AS 109.

Financial assets at FVTOCI

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, reversals and foreign exchange gains or losses in the

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

r. Financial instruments (contd.)

statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI Financial assets is reported as interest income using the EIR method.

Financial asset at FVTPL

FVTPL is a residual category for Financial assets. Any Financial asset, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset, which otherwise meets the amortised cost or FVTOCI criteria, as at FVTPL. However, such an election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value. For all equity investments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in fair value. The Company makes such an election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity investment as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on the sale of an investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

r. Financial instruments (contd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are measured at the amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balances

b) Financial assets that are measured at FVTOCI

c) Lease receivables under Ind AS 116

d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115

The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of a simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment losses on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, a 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the entity reverts to recognising impairment loss allowance based on a 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on a portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

r. Financial instruments (contd.)

expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at the amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, the impairment allowance is not further reduced from its value. Rather, the ECL amount is presented as an 'accumulated impairment amount' in the OCI.

  For assessing the increase in credit risk and impairment losses, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that would enable significant increases in credit risk to be identified on a timely basis.

  The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit-impaired on purchase/origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

r. Financial instruments (contd.)

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at the amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per the impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows otherwise required or a reclassification of a financial asset out of fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

s. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when it is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects the statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking the hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, the hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine if they have actually been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at the amortised cost, any adjustment to carrying value is amortised through the statement of profit and loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in trade receivables. The change in fair value is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

s. Derivative financial instruments and hedge accounting (contd.)

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit and loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

Cash flow hedges

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in the OCI in the cash flow hedge reserve while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts and range forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs. Refer to Note 50.

Amounts recognised as the OCI are transferred to the statement of profit and loss when the hedged transaction affects profit and loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as the OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in the OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

u. Dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

2.2 Summary of Material Accounting Policies (contd.)

w. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issues, bonus elements in a rights issue, share splits, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

3. PROPERTY, PLANT AND EQUIPMENT

In ₹ Million

	Freehold land	Buildings (Notes a, b)	Plant and machinery (Note d)	Office equipment	Railway sidings	Electrical installations	Factory equipment	Furniture and fixtures	Vehicles and aircraft	Power line	Total	Capital work-in-progress (Note e)
at April 1, 2024	**410.92**	**6,674.56**	**45,517.53**	**262.75**	**0.02**	**259.63**	**1,387.74**	**335.24**	**2,403.51**	**6.17**	**57,258.07**	**3,760.42**
Additions	983.15	-	2,338.53	12.76	-	-	96.86	32.81	393.79	-	**3,857.90**	8,007.91
Disposals/capitalised	-	-	(36.94)	-	-	-	-	(8.15)	(6.56)	-	**(51.65)**	(3,387.02)
at March 31, 2025	**1,394.07**	**6,674.56**	**47,819.12**	**275.51**	**0.02**	**259.63**	**1,484.60**	**359.90**	**2,790.74**	**6.17**	**61,064.32**	**8,381.31**
Additions	-	98.98	3,891.46	11.41	-	0.95	422.30	18.49	63.87	-	**4,507.46**	2,609.57
Disposals/capitalised	(9.10)	-	(177.64)	-	-	-	-	(1.99)	(0.15)	-	**(188.88)**	(3,719.47)
Sale of assets to a subsidiary company	-	-	(141.01)	(2.40)	-	(0.85)	(92.45)	(18.75)	(12.34)	-	**(267.80)**	-
Other adjustments												
- Borrowing costs [Refer Note c]	-	-	0.03	-	-	-	-	-	-	-	**0.03**	3.79
at March 31, 2026	**1,384.97**	**6,773.54**	**51,391.96**	**284.52**	**0.02**	**259.73**	**1,814.45**	**357.65**	**2,842.12**	**6.17**	**65,115.13**	**7,275.20**
Depreciation												
at April 1, 2024	**-**	**1,516.54**	**25,011.76**	**110.35**	**-**	**166.47**	**617.63**	**183.38**	**1,192.34**	**6.17**	**28,804.64**	**-**
Charge for the year	-	215.66	3,522.16	37.98	-	5.20	116.51	28.36	191.17	-	**4,117.04**	-
Disposals	-	-	(29.37)	-	-	-	-	(5.88)	(5.54)	-	**(40.79)**	-
at March 31, 2025	**-**	**1,732.20**	**28,504.55**	**148.33**	**-**	**171.67**	**734.14**	**205.86**	**1,377.97**	**6.17**	**32,880.89**	**-**
Charge for the year	-	213.78	3,589.99	34.65	-	4.81	128.66	28.79	196.35	-	**4,197.03**	-
Disposals/capitalised	-	-	(139.91)	-	-	-	-	(1.67)	(0.13)	-	**(141.71)**	-
Sale of assets to a subsidiary company	-	-	(89.10)	(1.31)	-	(0.81)	(19.82)	(3.39)	(7.69)	-	**(122.12)**	-
at March 31, 2026	**-**	**1,945.98**	**31,865.53**	**181.67**	**-**	**175.67**	**842.98**	**229.59**	**1,566.50**	**6.17**	**36,814.09**	**-**
Net block												
at March 31, 2025	**1,394.07**	**4,942.36**	**19,314.57**	**127.18**	**0.02**	**87.96**	**750.46**	**154.04**	**1,412.77**	**-**	**28,183.43**	**8,381.31**
at March 31, 2026	**1,384.97**	**4,827.56**	**19,526.43**	**102.85**	**0.02**	**84.06**	**971.47**	**128.06**	**1,275.62**	**-**	**28,301.04**	**7,275.20**

(a) Buildings include cost of hangar jointly owned with other companies ₹ 0.07 million (March 31, 2025: ₹ 0.07 million).

Notes to Standalone Financial Statements

for the year ended March 31, 2026

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(b) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except:

a. Flat at Kalyani Nagar in possession of the Company since April 01, 1987, whose title deed is in the name of Shri Anajwala Khozema F & Smt. Anajwala Amina aggregating gross block ₹ 0.31 million and net block ₹ 0.13 million for which the exchange deed is registered with authority, however, a certified true copy and Index II are awaited.

b. Hangar at Lohegoan in possession of the Company since April 01, 1977, aggregating gross block of ₹ 0.12 million and net block of ₹ 0.04 million and Tenements at Kharadi-Vimannagar in possession of the Company since April 01, 1981 aggregating gross block of ₹ 0.16 million and net block of ₹ 0.01 million for which title deeds are not available with the Company.

(c) Capitalised borrowing costs:

The Company capitalises borrowing costs in the capital work-in-progress (CWIP) first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital work-in-progress (CWIP) balances. The borrowing costs capitalised during the year ended March 31, 2026 were ₹ 3.82 million (March 31, 2025: ₹ nil).

(d) Assets include assets lying with third parties amounting to net block of ₹ 989.51 Million (March 31, 2025: ₹ 332.30 Million)

(e) Capital work in progress (CWIP) Ageing Schedule

In ₹ Million

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2026					
Projects in progress	2,933.97	3,521.20	379.49	440.54	7,275.20
Projects temporarily suspended	-	-	-	-	-
Total	**2,933.97**	**3,521.20**	**379.49**	**440.54**	**7,275.20**
March 31, 2025					
Projects in progress	7,512.63	387.27	151.75	329.66	8,381.31
Projects temporarily suspended	-	-	-	-	-
Total	**7,512.63**	**387.27**	**151.75**	**329.66**	**8,381.31**

There are no projects whose completion is overdue or that have exceeded their original cost.

f) The Company has not revalued any property, plant and equipment during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

4. INVESTMENT PROPERTY

In ₹ Million

Particulars	Freehold land
Cost	
at April 1, 2024	**2.89**
Additions	278.74
Disposals	-
at March 31, 2025	**281.63**
Additions	-
Disposals	-
at March 31, 2026	**281.63**
Depreciation	
at April 1, 2024	**-**
Depreciation for the year	-
at March 31, 2025	**-**
Depreciation for the year	-
at March 31, 2026	**-**
Net block	
at March 31, 2025	**281.63**
at March 31, 2026	**281.63**

Information regarding the income and expenditure of investment property

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Rental income derived from investment properties (included in Rent in note 25)	74.95	62.39
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in Rates and taxes in note 31)	0.28	0.28
Profit arising from investment properties before depreciation and indirect expenses	**74.67**	**62.11**
Less: Depreciation	-	-
Profit arising from investment properties before indirect expenses	**74.67**	**62.11**

The Company's investment properties consist of three parcels of land situated at Pune, Satara and Chakan.

As at March 31, 2026 and March 31, 2025, the fair values of the properties are ₹ 1,185.84 million and ₹1,168.98 million, respectively. The Company obtains independent valuations for its investment properties at least annually. These valuations are performed by an accredited independent valuer firm and this firm is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers ready reckoner rates. The main input used is the ready reckoner rate. All resulting fair value estimates for investment properties are included in Level 2.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

4. INVESTMENT PROPERTY (CONTD.)

The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to either construct or develop investment properties or handle their repairs, maintenance and enhancement. Freehold land includes 25 acres in Pune, 24.13 acres in Satara and 8.40 acres in Chakan, which has been given on lease.

Reconciliation of fair value

In ₹ Million

Investment properties	Freehold land
at April 1, 2024	**1,168.98**
Fair value difference	-
Purchases	-
at March 31, 2025	**1,168.98**
Fair value difference	16.86
Purchases	-
at March 31, 2026	**1,185.84**

5. INTANGIBLE ASSETS

In ₹ Million

Particulars	Computer software	Technology Licence	Total
Cost			
at April 1, 2024	**126.56**	**218.57**	**345.13**
Purchase	3.72	-	3.72
Disposals	-	-	-
at March 31, 2025	**130.28**	**218.57**	**348.85**
Purchase	30.50	-	30.50
Disposals	-	-	-
Sale of assets to a subsidiary company	(21.25)		(21.25)
at March 31, 2026	**139.53**	**218.57**	**358.10**
at April 1, 2024	**80.33**	**218.25**	**298.58**
Amortisation	22.21	0.32	22.53
Disposals	**-**	**-**	**-**
at March 31, 2025	**102.54**	**218.57**	**321.11**
Amortisation	20.33	-	20.33
Disposals	-	-	-
Sale of assets to a subsidiary company	(20.44)	-	(20.44)
at March 31, 2026	**102.43**	**218.57**	**321.00**
Net block			
at March 31, 2025	**27.74**	**-**	**27.74**
at March 31, 2026	**37.10**	**-**	**37.10**

The Company has not revalued any intangible assets during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
At Cost		
Unquoted equity instruments		
- Investment in wholly-owned subsidiaries		
Bharat Forge Global Holding GmbH		
Subscription to the equity share capital	287.98	287.98
[EUR 5,000,000 (March 31, 2025: EUR 5,000,000)]		
Capital contribution credited in favour of Bharat Forge Limited	15,311.06	12,505.78
[EUR 184,464,428 (March 31, 2025: EUR 158,464,428)] **[Refer Note 6(a)]**		
	15,599.04	**12,793.76**
60 (March 31, 2025: 60) Common stock of 1 cent each fully paid up in Bharat Forge America Inc. USD 225,819,514 (March 31, 2025: USD 225,819,514) **[Refer Note 6(b)]**	16,751.22	16,751.22
64,000 (March 31, 2025: 64,000) equity shares of £ 1/- each fully paid up in Bharat Forge International Limited	304.78	304.78
223,966,800 (March 31, 2025: 223,966,800) equity shares of ₹ 10/- each fully paid up in BF Infrastructure Limited **[Refer Note 6(f)]**	1,641.55	1,641.55
Less: Provision for impairment in value of investments	1,488.96	1,488.96
	152.59	**152.59**
894,313,325 (March 31, 2025: 828,613,325) equity shares of ₹ 10/- each fully paid up in Kalyani Powertrain Limited **[Refer Note 6(c)]**	8,943.13	8,286.13
Less: Provision for impairment in value of investments	6,453.13	1,456.63
	2,490.00	**6,829.50**
69,088,330 (March 31, 2025: 69,088,330) equity shares of ₹ 10/- each fully paid up in Kalyani Centre For Precision Technology Limited	690.88	690.88
352,655,198 (March 31, 2025: 341,055,198) equity shares of ₹ 10/- each fully paid up in BF Industrial Solutions Limited **[Refer Note 6(d)]**	4,009.79	3,719.79
66,510,734 (March 31, 2025: 66,510,734) equity shares of ₹ 10/- each fully paid up in Kalyani Strategic Systems Limited.	788.34	788.34
1,000 (March 31, 2025: 1,000) equity shares of ₹ 10/- each fully paid up in Kalyani Lightweighting Technology Solutions Limited.	0.01	0.01
527,140,009 (March 31, 2025: Nil) equity shares of ₹ 10/- each fully paid up in K Drive Mobility Private Limited (formerly AAM India Manufacturing Corporation Limited) **[Refer Note 6(j)]**	7,474.16	-
Carried over	48,260.81	42,030.87

Notes to Standalone Financial Statements

for the year ended March 31, 2026

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Brought over	48,260.81	42,030.87
- Other subsidiaries where Company holds 51% or more of the equity share capital		
1,010,000 (March 31, 2025: 1,010,000) equity shares of ₹ 10/- each fully paid up in BF Elbit Advanced Systems Private Limited **[Refer Note 6(h)]**	10.10	10.10
Less: Provision for impairment in value of investments	10.10	10.10
	-	-
83,226 (March 31, 2025: 83,226) equity shares of ₹ 10/- each fully paid up in Eternus Performance Materials Private Limited	3.75	3.75
- Investments in joint ventures		
7,128,219 (March 31, 2025: 7,128,219) equity shares of ₹ 10/- each fully paid up in BF NTPC Energy Systems Limited **[Refer Note 6(e)]**	33.64	33.64
Less: Provision for impairment in value of investments	33.64	33.64
	-	-
- Investments in associates		
11,375,000 (March 31, 2025: 11,375,000) equity shares of ₹ 10/- each in Avaada MHVidarbha Private Limited **[Refer Note 6(i)]**	113.75	113.75
Unquoted Preference shares (fully paid)		
150,000,000 (March 31, 2025: 150,000,000) preference shares of ₹ 10/- each fully paid up in BF Industrial Solutions Limited.	1,500.00	1,500.00
2,569,728 (March 31, 2025: Nil) 8% Optionally Convertible Redeemable Preference Shares of ₹ 10/- each fully paid up in Kalyani Strategic Systems Limited **[Refer Note 6(k)]**	4,533.00	-
Total	**54,411.31**	**43,648.37**

(a) Bharat Forge Global Holding GmbH (BFGH)

Contributions to the capital reserves of BFGH as per the German Commercial Code (code) form part of the equity share capital and accordingly, have been considered an investment and are redeemable subject to the provisions of the code.

During the current year, the Company made further capital contributions to BFGH of ₹ 2,805.28 million (Euro 26.00 million) for investment in the step-down subsidiaries Bharat Forge CDP GmbH and Bharat Forge Aluminiumtechnik GmbH.

During the previous year, the Company had made further capital contributions to BFGH of ₹ 3,455.75 million (Euro 39.00 million) for investment in its subsidiaries Bharat Forge CDP GmbH, Bharat Forge Aluminiumtechnik GmbH and Bharat Forge Kilsta AB and converted a loan of Euro 1.00 million amounting to ₹ 90.95 million.

(b) Bharat Forge America Inc.

During the previous year, the Company had invested an amount of ₹ 8,833.86 million by way of additional paid-in capital (USD 104.50 million) for further investment in its subsidiaries Bharat Forge Aluminium USA, Inc., Bharat Forge PMT Technologie LLC and has converted a loan of USD 12.00 million amounting to ₹ 1,025.28 million.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

(c) Kalyani Powertrain Limited (KPL)

During the current year, the Company has invested an amount of ₹ 657.00 million by acquiring 65,700,000 right shares of ₹ 10 each in Kalyani Powertrain Limited. Also the company has made additional provision for diminution in value of investment amounting to ₹ 4,996.50 million in investment in equity instruments of KPL.

During the previous year, the Company had invested an amount of ₹ 3,779.50 million by acquiring 377,950,000 right shares of ₹ 10 each in Kalyani Powertrain Limited for further investment in Tork Motors Private Limited, REFU Drive GmbH and Electro Forge Limited. Also the company has made provision for diminution in value of investment amounting to ₹ 1,456.63 million in investment in equity instruments of KPL.

(d) BF Industrial Solutions Limited (BFISL)

During the current year, the Company had invested an amount of ₹ 290 million by acquiring 11,600,000 right shares of ₹ 10 each at a premium of ₹ 15 each in BF Industrial Solutions Limited for futher investment in J S Auto Cast Foundry India Private Limited.

During the previous year, the Company had invested an amount of ₹ 180 million by acquiring 7,826,087 right shares of ₹ 10 each at a premium of ₹ 13 each in BF Industrial Solutions Limited for further investment in J S Auto Cast Foundry India Private Limited.

(e) BF NTPC Energy Systems Limited (BFNTPCESL)

During an earlier year, the shareholders of BFNTPCESL, at their extraordinary general meeting held on October 9, 2018, decided to voluntarily liquidate the Company and engaged a liquidator under the provisions of Section 59 of the Insolvency and Bankruptcy Code 2016.

(f) BF Infrastructure Limited (BFIL)

During an earlier year, the company had made provision for impairment of investment of ₹ 133.35 million in investment in equity instruments of BFIL. The provision was recognised as an exceptional item in the statement of profit and loss.

(g) REFU Drive GmbH (Refu)

During the previous year, the company transferred its investments in REFU Drive GmbH to Kalyani Powertrain Limited, its wholly-owned subsidiary, for an amount of ₹ 1,054.50 million by transferring 12,500 equity shares of EUR 1 each, due to which REFU Drive GmbH ceased to be a joint venture of the company, in its standalone financial statements.

(h) BF Elbit Advanced Systems Private Limited

During the previous year, the company made provision for impairment of the value of investment of ₹ 10.10 million in equity instruments of BF Elbit. The provision has been recognised as an exceptional item in the statement of profit and loss.

(i) Avaada MHVidarbha Private Limited

During an earlier year, the Company had invested ₹ 113.75 million by acquiring 11,375,000 equity shares of ₹ 10 each to procure solar power.

(j) K Drive Mobility Private Limited (formerly AAM India Manufacturing Corporation Limited)

During the current year, the Company has acquired equity shares of ₹ 10 each (at a premium of ₹ 4.18) of K Drive Mobility Private Limited for an aggregate consideration of ₹ 7,474.16 million.

(k) Kalyani Strategic Systems Limited

During the current year, the company has transfered identified assets and liabilities of the Defence Business to Kalyani Strategic Systems Limited ("KSSL"), as a part of an internal restructuring exercise at a consideration of ₹ 4,533.00 million settled by allotment of 2,569,728 8% Optionally Convertible Redeemable Preference Shares of ₹ 10 each at a premium of ₹ 1,754.00 each **[Refer Note 32 (e)]**.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

(l) Compliance with number of layers

The Company has invested funds in subsidiaries, associates and joint ventures directly or through its wholly-owned subsidiaries. The Company has complied with the number of layers prescribed under Section 2 (87) of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

7. INVESTMENTS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current investments		
(a) Investments designated at fair value through OCI (FVTOCI)		
Equity instruments (unquoted) (fully paid)		
- Investments in others (Company holds 5% or more of the share capital)		
38,384,202 (March 31, 2025: 38,384,202) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited **[Refer Note 7 (b) and 48]**	1,116.98	1,070.92
14,245,000 (March 31, 2025: 14,245,000) equity shares of ₹ 10/- each in Avaada SataraMH Private Limited **[Refer Note 7(b)]**	180.63	166.38
2,033,850 (March 31, 2025: 2,033,850) equity shares of ₹ 10/- each in Avaada MHBuldhana Private Limited **[Refer Note 7(b)]**	26.03	23.76
10,349 (March 31, 2025: 10,349) equity shares of ₹ 10/- each in Sunsure Solarpark Twenty Eight Private Limited **[Refer Notes 7(b) and (d)]**	12.94	12.94
Equity instruments (quoted) (fully paid)		
- Investments in others		
613,000 (March 31, 2025: 613,000) equity shares of ₹ 2/- each fully paid up in Birlasoft Limited	203.85	237.66
613,000 (March 31, 2025: 613,000) equity shares of ₹ 10/- each fully paid up in KPIT Technologies Limited	389.10	801.47
Total FVTOCI investments (Non-current)	**1,929.53**	**2,313.13**
(b) Investments designated at amortised cost		
Debt Mutual funds (unquoted)	1,254.52	1,839.31
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted).	1,083.46	-
Total amortised cost investments (Non-current)	**2,337.98**	**1,839.31**
(c) Investments designated at fair value through profit or loss (FVTPL)		
Equity instruments (unquoted) (fully paid)		
- Investments in others (Company holds 5% or more of the share capital)		
504,432 (March 31, 2025: 504,432) equity shares of ₹ 10/- each in Gupta Energy Private Limited **[Refer Note 7(a)]**	-	-
Total FVTPL investments (Non-current)	**-**	**-**
Total Non Current Investment	**4,267.51**	**4,152.44**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

7. INVESTMENTS (CONTD.)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Current investments		
(d) Investments designated at amortised cost		
Debt Mutual funds (unquoted)	689.94	-
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	250.87	2,130.25
Total amortised cost investments (Current)	**940.81**	**2,130.25**
(e) Investments designated at fair value through profit or loss (FVTPL)		
Investments in units of mutual funds (quoted funds) **[Refer Note 7(c)]**	865.01	1,653.42
Investments in units of mutual funds (unquoted funds) **[Refer Note 7(c)]**	7,567.28	8,714.60
Investments in private equity fund (unquoted funds)		
606,763.80 (March 31, 2025: 665,040.45) Units of ₹ 100/- each of Paragon Partners Growth Fund - I **[Refer Note 7(c)]**	129.55	149.35
Total FVTPL investments (Current)	**8,561.84**	**10,517.37**
Total Current Investment	**9,502.65**	**12,647.62**
Non-current		
Aggregate book value of quoted investments	1,183.70	100.24
Aggregate market value of quoted investments	1,676.41	1,039.13
Aggregate value of unquoted investments	2,591.10	3,113.31
Current		
Aggregate book value of quoted investments	1,020.82	3,700.16
Aggregate market value of quoted investments	1,115.88	3,783.67
Aggregate value of unquoted investments	8,386.77	8,714.60

(a) Gupta Energy Private Limited (GEPL)
Shares of GEPL pledged against the facility obtained by Gupta Global Resources Private Limited. This investment is carried at fair value of ₹ Nil.

(b) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity. **Refer Note 48** for the determination of their fair values.

(c) Investments at fair value through profit or loss (fully paid) reflect investment in quoted/unquoted equity, mutual funds and debt securities. **Refer Note 48** for the determination of their fair values.

(d) Sunsure Solarpark Twenty Eight Private Limited
During the previous year, the Company had invested in Sunsure Solarpark Twenty Eight Private Limited of ₹ 12.94 million by acquiring 10,349 equity shares of ₹ 10 each at a premium of ₹ 1,240 each.

8. LOANS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current (Unsecured, considered good)		
Loans to related parties [Refer Note 42, 46]		
Loans to subsidiaries	210.66	192.59
Less: Loss allowance **[Refer Note 32]**	210.66	192.59
	-	-
Other loans		
Loans to employees.	37.67	58.54
Total	**37.67**	**58.54**
Current (Unsecured, considered good)		
Loans to related parties [Refer Note 42, 46, 47]		
Loans to subsidiaries.	-	114.05
Other loans		
Loans to employees	20.44	37.23
Total	**20.44**	**151.28**

Loans are non-derivative financial assets that generate fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

9. DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	-	289.02
Total	**-**	**289.02**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	-	583.94
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	-	16.63
Total	**-**	**600.57**

In the previous year, derivative instruments not designated as hedges reflect the positive change in cross-currency swaps entered into by the Company for two of its long-term INR Non-Convertible Debentures and two of its term loans.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

10. OTHER FINANCIAL ASSETS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Government grants[$]	64.25	58.52
Security deposits[#]	360.71	351.77
Corporate Fixed Deposits	1,102.57	1,042.02
Bank Deposits with remaining maturity for more than 12 months	0.07	-
Total	**1,527.60**	**1,452.31**
Current		
Government grants[$]	25.85	27.64
Recoverable from subsidiaries **[Refer Note 39]**	286.32	97.49
Corporate Fixed Deposits	796.83	500.39
Interest Recoverable	16.82	98.93
Total	**1,125.82**	**724.45**

$ Includes receivables against various schemes of export incentives and Industrial Promotion Subsidy (IPS) under Package Scheme of Incentives (PSI) 2007. There are no unfulfilled conditions or other contingencies attached to the said government grants.

For further details, **Refer Note 39** - related party disclosure.

11. INVENTORIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components*	5,865.93	6,930.94
Work-in-progress	5,950.17	4,801.54
Finished goods**	2,372.49	2,317.33
Stores, spares and loose tools	1,072.26	994.64
Dies and dies under fabrication	324.68	236.30
Scrap	115.40	120.99
Total	**15,700.93**	**15,401.74**

* Includes goods in transit March 31, 2026: ₹ 480.94 million [March 31, 2025: ₹ 230.59]

** Includes goods in transit March 31, 2026: ₹ 1,348.92 million [March 31, 2025: ₹ 1,229.92 million]

During the year ended March 31, 2026: ₹ (1.63) million [March 31, 2025: ₹ 32.45 million] was recognised as (reversal of expense)/expenses for inventories carried at net realisable value.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

12. TRADE RECEIVABLES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured		
Considered good	118.36	118.36
Significant increase in credit risk	-	-
	118.36	**118.36**
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Unsecured (Considered good)	0.38	0.33
Significant increase in credit risk	-	-
	0.38	**0.33**
Total	**117.98**	**118.03**
Current		
Secured		
Considered good	131.30	24.73
	131.30	**24.73**
Unsecured		
Considered good (including related party receivables)	41,503.58	38,449.97
Significant increase in credit risk	-	-
Credit impaired	87.28	114.50
	41,590.86	**38,564.47**
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	87.28	114.50
Unsecured (Considered good)	339.78	275.11
	427.06	**389.61**
Total	**41,295.10**	**38,199.59**

No trade receivables are due from directors or other officers of the Company, either severally or jointly with any other person.

Trade receivables are non-interest-bearing and are generally on terms of 30 to 240 days.

For terms and conditions relating to related party receivables, **Refer Note 39**. For details of debts due from firms or private companies in which any director is a partner, a director or a member, **Refer Notes 39 and 42**.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

12. TRADE RECEIVABLES (CONTD.)

Trade receivable ageing schedule

As at March 31, 2026

In ₹ Million

Particulars	Not yet due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues receivables							
(a) Considered good	30,002.73	10,708.46	388.77	463.52	105.15	84.61	41,753.24
(b) Which have a significant increase in credit risk							-
(c) Credit impaired	-	-	-	-	6.93	80.35	87.28
Unbilled revenue							-
Total	**30,002.73**	**10,708.46**	**388.77**	**463.52**	**112.08**	**164.96**	**41,840.52**
Loss Allowance	**38.09**	**64.75**	**11.96**	**100.83**	**46.62**	**165.19**	**427.44**

As at March 31, 2025

In ₹ Million

Particulars	Not yet due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues receivables							
(a) Considered good	30,015.03	7,432.10	898.05	105.70	46.55	95.63	38,593.06
(b) Which have a significant increase in credit risk							-
(c) Credit impaired	-	6.46	24.55	22.14	31.33	30.02	114.50
Unbilled revenue							-
Total	**30,015.03**	**7,438.56**	**922.60**	**127.84**	**77.88**	**125.65**	**38,707.56**
Loss Allowance	**33.80**	**62.48**	**67.36**	**34.55**	**66.10**	**125.65**	**389.94**

The amount repayable under the bill discounting arrangement is presented as borrowing. The relevant carrying amounts are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Transferred receivables	17,506.64	20,520.01
Associated borrowing **[bank loans - Refer Note 18]**	17,508.42	20,529.41

The Company sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet because the company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a secured/unsecured bank loan. The arrangement with the bank is that customers remit cash directly to the company and the company transfers the collected amounts to the bank. The above information shows the carrying amount of trade receivables at the reporting date that have been transferred but not derecognised, and the associated liabilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

13. CASH AND BANK BALANCES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Balances with banks:		
In cash credit and current accounts	3,590.21	2,805.51
Deposits with original maturity of less than three months	-	783.20
Cash on hand	0.38	0.53
Total	**3,590.59**	**3,589.24**
Other bank balances		
Earmarked balances (on unclaimed dividend and unspent CSR accounts)	110.10	193.46
Other earmarked balances*	-	5,500.00
Deposits with original maturity of less than 12 months	4.16	2.67
Total	**114.26**	**5,696.13**

Bank deposits earn interest at fixed rates. Short-term deposits are generally made for periods between seven days and 12 months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

* Unutilised funds from QIP for acquisition of AAM India Manufacturing Corporation Private Limited were parked in a fixed deposit with a bank.

14. OTHER ASSETS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current (Unsecured, considered good)		
Capital advances	1,098.62	1,419.52
Government grants$	67.56	82.59
Balances with government authorities.	610.70	481.14
Total	**1,776.88**	**1,983.25**
Current (Unsecured, considered good)		
Balances with government authorities	1,282.74	2,379.20
Government grants$	73.79	219.40
Advance to suppliers	734.70	762.07
Others	542.61	576.19
Total	**2,633.84**	**3,936.86**

$ Includes receivables from various export incentive schemes. There are no unfulfilled conditions or other contingencies attached to the said government grants.

No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which a director is a director or a member, either severally or jointly with any other person, except as disclosed in Notes 39 and 42.

For terms and conditions relating to related party receivables, **Refer Note 39**.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

14. OTHER ASSETS (CONTD.)

Break up of financial assets carried at cost

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in subsidiaries, joint ventures and associates [Refer Note 6]	54,411.31	43,648.37
Cash and cash equivalents [Refer Note 13]	3,590.59	3,589.24
Total	**58,001.90**	**47,237.61**

Break up of financial assets carried at amortised cost

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investments [Refer Note 7]	3,278.79	3,969.56
Loans [Refer Note 8]	58.11	209.82
Other financial assets [Refer Note 10]	2,653.42	2,176.76
Trade receivables [Refer Note 12]	41,413.08	38,317.62
Other bank balances [Refer Note 13]	114.26	5,696.13
Total	**47,517.66**	**50,369.89**

Break up of financial assets carried at fair value through OCI

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investments [Refer Note 7]	1,929.53	2,313.13
Derivative instruments [Refer Note 9]	-	872.96
Total	**1,929.53**	**3,186.09**

Break up of financial assets carried at fair value through profit and loss

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investments [Refer Note 7]	8,561.84	10,517.37
Derivative instruments [Refer Note 9]	-	16.63
Total	**8,561.84**	**10,534.00**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

15. EQUITY SHARE CAPITAL

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised shares (No.)		
975,000,000 (March 31, 2025: 975,000,000) equity shares of ₹ 2/- each	1,950.00	1,950.00
43,000,000 (March 31, 2025: 43,000,000) cumulative non-convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2025: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
478,268,492 (March 31, 2025: 478,268,492) equity shares of ₹ 2/- each	956.54	956.54
Subscribed and fully paid-up (No.)		
478,088,632 (March 31, 2025: 478,088,632) equity shares of ₹ 2/- each	956.18	956.18
Add:		
172,840 (March 31, 2025: 172,840) forfeited equity shares comprising 15,010 equity shares (March 31, 2025: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2025: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50 each)	0.09	0.09
Total issued, subscribed and fully paid-up share capital	**956.27**	**956.27**

(a) Terms/rights attached to equity shares

The Company has only one class of issued equity shares with a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Equity Shares	As at March 31, 2026		As at March 31, 2025	
	No.	₹ in Million	No.	In ₹ Million
At the beginning of the year	478,088,632	956.18	465,588,632	931.18
Issue of shares through QIP [Refer Note c]	-	-	12,500,000	25.00
Outstanding at the end of the year	478,088,632	956.18	478,088,632	956.18

(c) During the previous year, the Company had raised capital of ₹ 16,500 million through Qualified Institutions Placement ("QIP") of equity shares. The Investment Committee constituted by the Board of Directors of the Company, at its meeting held on December 09, 2024, had approved the allotment of 12,500,000 equity shares of face value ₹ 2 each to eligible investors at a price of ₹ 1,320 per equity share (including a premium of ₹ 1,318 per equity share). The objectives of the QIP were repayment/prepayment of certain borrowings availed by certain subsidiaries, the proposed acquisition of the equity shares of AAM India Manufacturing Corporation Private Limited, including all associated costs in relation to the proposed acquisition and general corporate purposes. During the current year, the unspent amount of ₹ 5,500.39 million has been utilised for the acquisition of AAM India Manufacturing Corporation Private Limited ("AAMIMCPL").

(d) Information regarding issue of shares in the last five years

(i) The Company has not issued any shares without payment being received in cash.

(ii) The Company has not issued any bonus shares.

(iii) The Company has not undertaken any buy-back of shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

15. EQUITY SHARE CAPITAL (CONTD.)

(e) Disclosure of shareholding of promoters and promoter group

Name of the promoter/promoter group member	Number of shares held at March 31, 2026	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.14%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.68%	-
Ajinkya Investment & Trading Company	14,981,850	3.13%	-
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	-
Kalyani Investment Company Limited	63,312,190	13.24%	-
BF Investments Limited	15,614,676	3.27%	-
Rajgad Trading Company Private Limited	1,360,260	0.28%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.39%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	0.98%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.23%	-
Campanula Investment & Finance Limited	739,980	0.15%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Private Limited	1,003,240	0.21%	-
Aboli Investment Private Limited	127,872	0.03%	-
Wathar Investment & Trading Co. Private Limited	61,320	0.01%	-

Name of the promoter/promoter group member	Number of share held at March 31, 2025	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.14%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.68%	-
Ajinkya Investment & Trading Company	14,981,850	3.13%	-
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	0.02%
Kalyani Investment Company Limited	63,312,190	13.24%	-
BF Investments Limited	15,614,676	3.27%	-
Rajgad Trading Company Private Limited	1,360,260	0.28%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.39%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	0.98%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.23%	-
Campanula Investment & Finance Limited	739,980	0.15%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Private Limited	1,003,240	0.21%	-
Aboli Investment Private Limited	127,872	0.03%	-
Wathar Investment & Trading Co. Private Limited	61,320	0.01%	-

(f) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company being the ultimate holding company, has no shares held by any other holding, ultimate holding company, or its subsidiaries/associates.

(g) Details of shareholders holding more than 5% of the shares in the company

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	63,312,190	13.24%	63,312,190	13.24%
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	55,252,924	11.56%
KSL Holdings Private Limited	46,285,740	9.68%	46,285,740	9.68%

(h) Shares reserved for issue under option

Particulars	As at March 31, 2026	As at March 31, 2025
	No.	No.
4,680 (March 31, 2025: 4,680) equity shares of ₹ 2/- each out of the bonus issue and previous issue of equity shares on a right basis together with 234 (March 31, 2025: 234) detachable warrants entitled to subscription of 2,340 (March 31, 2025: 2,340) equity shares of ₹ 2/- each, have been kept in abeyance and reserve for issue pending adjudication of title to the pre-right holding.	7,020	7,020

Notes to Standalone Financial Statements

for the year ended March 31, 2026

16. OTHER EQUITY

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserves		
Special capital incentive [Refer Note 16(a)]		
Balance as per the last financial statements	2.50	2.50
Closing balance	**2.50**	**2.50**
Warrants subscription money [Refer Note 16(b)]		
Balance as per the last financial statements	13.00	13.00
Closing balance	**13.00**	**13.00**
Closing balance	**15.50**	**15.50**
Securities premium [Refer Note 16 (c)]		
Balance as per the last financial statements	23,103.22	6,930.89
Premium on allotment of equity shares [Refer Note 15 (c)]	-	16,475.00
Expenses on allotment of equity shares	-	(302.67)
Closing balance	**23,103.22**	**23,103.22**
General reserve [Refer Note 16(d)]		
Balance as per the last financial statements	3,230.48	3,230.48
Closing balance	**3,230.48**	**3,230.48**
Retained earnings in the statement of profit and loss [Refer Note 16(e)]		
Balance as per the last financial statements	81,771.45	72,902.60
Add:		
- Net profit for the year	8,187.41	13,222.51
- Items of OCI:		
Re-measurement of defined benefit obligations	89.38	(132.11)
Less:		
- Final equity dividend of previous year	2,868.53	3,026.33
- Interim equity dividend for current financial year	956.18	1,195.22
Closing balance	**86,223.53**	**81,771.45**
Cash flow hedge reserve [Refer Note 2.2(s)]		
Balance as per the last financial statements	560.44	1,346.20
Add: Arising during the year	-	60.35
Less: Adjusted during the year	3,883.69	846.11
Closing balance	**(3,323.25)**	**560.44**
Equity instruments through other comprehensive income		
Balance as per the last financial statements	5.33	330.88
Add/(less): Arising/(Adjusted) during the year	(328.73)	(325.55)
Closing balance	**(323.40)**	**5.33**
Closing balance	**108,926.08**	**108,686.42**

(a) Special capital incentive:
A special capital incentive was created during the financial year 1999-2000, amounting to ₹ 2.50 million under the 1988 Package Scheme of Incentives.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

16. OTHER EQUITY (CONTD.)

(b) Warrants subscription money:
The Company had issued and allotted to Qualified Institutional Buyers, 10,000,000 equity shares of ₹ 2/- each at a price of ₹ 272/- per share, aggregating to ₹ 2,720 million on April 28, 2010, simultaneously with the issue of 1,760, 10.75% Non-Convertible Debentures (NCD) of a face value of ₹ 1,000,000/- at par, together with 6,500,000 warrants at a price of ₹ 2/- each entitling the holder of each warrant to subscribe for 1 equity share of ₹ 2/- each at a price of ₹ 272/- at any time within 3 years from the date of allotment. Following the completion of the three-year term, the subscription money received on the issue of warrants was credited to the capital reserve, as the same is not refundable/adjustable. Further, the warrants had lapsed and ceased to be valid from April 28, 2013.

(c) Securities premium:
The securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013. During the previous year, the Company had issued 12,500,000 equity shares of ₹ 2/- each at a price of ₹ 1,320/- per share (including a premium of ₹ 1,318 per equity share). The costs that were attributable directly to the above transaction amounting to ₹ 302.67 million, had been adjusted against securities premium.

(d) General reserve:
General reserve is created by way of transfer from profits for the year.

(e) Retained earnings:
Retained earnings in the statement of profit and loss represent the undistributed profits of the Company as on the balance sheet date.

17. DISTRIBUTION MADE AND PROPOSED TO BE MADE

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash dividends on equity shares declared and paid:		
Final dividend		
For the year ended on March 31, 2025: ₹ 6.00 per share (March 31, 2024: ₹ 6.50 per share)	2,868.53	3,026.33
Interim dividend		
During the year ended on March 31, 2026: ₹ 2.00 per share (March 31, 2025: ₹ 2.50 per share)	956.18	1,195.22
Proposed dividend on equity shares:		
Final dividend		
For the year ended on March 31, 2026: ₹ 6.50/- per share (March 31, 2025: ₹ 6.00/- per share)	3,107.58	2,868.53

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at year-end.

The Company has complied with the provisions of Section 123 of the Companies Act, 2013, related to dividends declared and dividends paid.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

18. BORROWINGS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current borrowings		
- Debentures		
7.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(a)(iii)]**	-	1,246.59
- Term loans from banks		
Rupee currency term loans (unsecured)		
On a bilateral basis **[Refer Note 18(b)]**	10,515.98	5,347.60
Total	**10,515.98**	**6,594.19**
Current borrowings		
- Debentures - current maturity		
5.97% Rated Unsecured Non-Convertible Debentures **[Refer Note 18 (a)(i)].**	-	2,495.55
5.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(a)(ii)]**	-	1,999.88
7.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(a)(iii)]**	1,248.26	-
- Current maturity of term loans from banks		
Foreign currency term loans (unsecured)		
On bilateral basis **[Refer Note 18(a)].**	-	1,365.89
Rupee currency term loans (unsecured)		
On bilateral basis **[Refer Note 18(b)].**	1,350.00	400.00
- From banks		
Foreign currency loans		
Preshipment credit (secured) **[Refer Note 18(c)]**	5,818.99	6,051.59
Preshipment credit (unsecured) **[Refer Note 18(c)]**	187.58	189.12
Bill discounting with banks (secured) **[Refer Note 18(d)]**	11,982.02	14,109.60
Bill discounting with banks (unsecured) **[Refer Note 18(d)]**	5,526.40	6,372.65
Rupee loans		
Working Capital Demand Loan (secured) **[Refer Note 18(f)]**	1,000.00	-
Bill discounting with banks (unsecured) **[Refer Note 18(d)]**	-	47.16
Interest accrued but not due on borrowings	15.72	191.14
Total	**27,128.97**	**33,222.58**
Total secured loans	18,801.01	20,161.19
Total unsecured loans	18,843.94	19,655.58
	37,644.95	**39,816.77**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

Changes in liabilities arising from financing activities *

In ₹ Million

Particulars	Current borrowings	Non-current borrowings
Balance as on April 1, 2024	**31,425.02**	**12,820.60**
Net cash flows	(4,688.12)	-
Foreign exchange differences	214.60	33.12
Regroup from non-current to current	6,261.32	(6,261.32)
Others	9.76	1.79
Balance as on March 31, 2025	**33,222.58**	**6,594.19**
Net cash flows	(10,785.76)	6,526.94
Foreign exchange differences	2,087.52	-
Regroup from non-current to current	2,598.26	(2,598.26)
Others	6.37	(6.89)
Balance as on March 31, 2026	**27,128.97**	**10,515.98**

* For details relating to lease liabilitie, **Refer Note 35(a).**

(a) Foreign currency term loans

Foreign currency term loans on bilateral basis (Unsecured)

Repayable in yearly instalments along with interest of SOFR + 110 bps.

Date of repayment	Repayment schedule			
	As at March 31, 2026		As at March 31, 2025	
	USD in Million	In ₹ Million	USD in Million	In ₹ Million
In				
- December 2025	-	-	16.00	1,365.89

(a) (i) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.97% p.a.**
The Company had issued 5,000 5.97% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures with a face value of ₹ 1,000,000/- each on a private placement basis.

In the event of a rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/Debenture by any rating agency, the Debenture Holders would reserve the right to recall the outstanding principal amount on the Debentures along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
In		
- August 2025	-	2,500.00

(a) (ii) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.80% p.a.**
During the Financial year 2022-23, the Company issued 2,000 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on private placement basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
In		
- April 2025	-	2,000.00

(a) (iii) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 7.80% p.a.**
During the Financial year 2023-24, the Company issued 12,500 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures having a face value of ₹ 100,000/- each on a private placement basis.

In the event of a rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
In		
- March 2027	1,250.00	1,250.00

(b) (i) **Rupee term loan (unsecured)**
During the Financial year 2022-23, the Company has availed a term loan of ₹ 2,000 million @ 5.90% p.a. from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- June 2025 (Yearly instalment over 3 years)	-	2,000.00
- June 2026 (Yearly instalment over 2 years)	1,600.00	-

(b) (ii) **Rupee term loan (unsecured)**
During the Financial year 2023-24, the Company has availed a term loan of ₹ 3,750 million @ 3 Month T-Bill + 95 bps from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- February 2027 (Yearly instalment over 3 years)	3,746.99	3,747.60

Notes to Standalone Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

(b) (iii) **Rupee term loan (unsecured)**
During the current year, the Company has availed a term loan of ₹ 5,500 million @ 3 Month T-Bill + 159 bps from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- April 2028 (Yearly installment over 4 years)	5,500.00	-

(b) (iv) **Rupee term loan (unsecured)**
During the current year, the Company has availed a term loan of ₹ 2,500 million @ 3 Month T-Bill + 159 bps from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- April 2028 (Yearly installment over 4 years)	2,500.00	-

(c) **Preshipment credit**
The loan is secured against hypothecation of inventories **(Refer Note 11)** and trade receivables **(Refer Note 12)**

Pre-shipment credit - foreign currency (secured and unsecured) is repayable within 90 to 180 days and carries interest @ SOFR/Euribor + 55 bps to SOFR/Euribor + 110 bps p.a., respectively.

(d) **Bill discounting with banks**
The loan is secured against hypothecation of inventories **(Refer Note 11)** and trade receivables **(Refer Note 12)**.

Bill discounting (secured and unsecured) with banks is repayable within 30 to 210 days.

Rupee and Foreign bill discounting (secured and unsecured) with banks carries interest @ 7.00% p.a. to 8.15% p.a. and SOFR + 55 bps to SOFR + 110 bps p.a. & EURIBOR + 55 bps to EURIBOR + 110 bps p.a. respectively.

(e) **Loans availed for a specific purpose and their utilisation for the specified purpose:**
During the previous year, the Company had availed of an unsecured rupee term loan and issued listed, rated, unsecured, redeemable, non-convertible debentures on a private placement basis. Proceeds from the said term loan had been partially utilised for the intended purpose and the balance amount had been parked in a designated bank account.

(f) **Working capital facilities and statements filed with the bank**
The Company has availed working capital facilities from banks in the form of pre-shipment credit, bill discounting, working capital demand loan and cash credit. The Company has filed quarterly statements with banks with regard to the securities provided against such working capital facilities on a periodic basis. The statements filed by the Company are in agreement with the books of account of the Company.

The Company has been sanctioned a fund-based limit of ₹ 40,080 million and a non-fund-based limit of ₹ 12,750 million as on March 31, 2026 and (fund-based limit of ₹ 40,080 million and non-fund-based limit of ₹ 7,250 million as on March 31, 2025) in respect of working capital facilities by its bankers.

(g) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

19. OTHER FINANCIAL LIABILITIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Other non-current financial liabilities		
Voluntary retirement scheme compensation (at amortised cost)	7.03	31.05
Security deposits..	22.99	22.99
Total	**30.02**	**54.04**
Other current financial liabilities at amortised cost		
Payables for capital goods	535.11	661.41
Security deposits.	178.62	177.89
Directors' commission	29.20	31.00
Investor Education and Protection Fund (as and when due)#		
- Unpaid dividend	40.69	109.45
- Unpaid matured deposits	0.04	0.04
Voluntary retirement scheme compensation	24.02	84.50
Payable to customers	526.00	-
Others	10.80	-
Total	**1,344.48**	**1,064.29**

The Company had declared interim as well as final dividends in past years. Though a large portion of this dividend has been paid to members of the Company, an amount of ₹ 0.13 million (March 31, 2025: ₹ 0.13 million) has been pending over the years. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unclaimed dividend shall be remitted online to the Investor Education and Protection Fund ('IEPF') along with a statement in the relevant form, containing details of shareholders. Considering that all the particulars required for filing are not available, the company has not transferred the unclaimed dividend to IEPF and the relevant funds are available in separate bank accounts **(Refer to Other Bank Balances in Note 13).**

19(A). DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	848.92	67.45
Cross currency swap	733.44	
Total	**1,582.36**	**67.45**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	2,477.52	46.09
Cross-currency swap	493.54	-
Derivatives not designated as hedge (FVTPL)		
Cross-currency swap	-	89.57
Total	**2,971.06**	**135.66**

Derivative instruments at fair value through OCI reflect the negative change in fair value of foreign exchange forward contracts and cross-currency swaps, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR). The company has entered into cross-currency swaps for one of its long-term INR Non-Convertible Debentures and two of its term loans.

In the previous year, derivative instruments not designated as hedges reflect the negative change in cross-currency swaps entered into by the Company for two of its long-term INR Non-Convertible Debentures and two of its term loans.

20. PROVISIONS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Provisions for employee benefits		
Provision for gratuity **[Refer Note 37(a)]**	597.68	279.70
Provision for special gratuity **[Refer Note 37(b)]**	194.78	198.27
Provision for pension and similar obligations **[Refer Notes 37(d) and 39(ii)(18)].**	481.85	360.04
Provision for employees' provident fund **[Refer Note 37(c)]**	9.05	71.80
Total	**1,283.36**	**909.81**
Current		
Provisions for employee benefits		
Provision for gratuity **[Refer Note 37(a)].**	240.00	130.00
Provision for special gratuity **[Refer Note 37(b)].**	14.26	12.79
Provision for leave benefits	469.38	410.98
Provision for pension and similar obligations **[Refer Notes 37(d) and 39(ii)(18)]**	13.22	12.53
Other provisions		
Provision for warranties*	676.42	842.06
Total	**1,413.28**	**1,408.36**

*** Provision for warranties**

Provision for assurance-type warranties predominantly covers risk arising from expected claims for damages to the products sold by the Company, based on the expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. These claims are expected to be settled in next financial year.

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	842.06	456.01
Arising during the year	-	391.45
Utilised/reversed during the year	(165.64)	(5.40)
At the end of the year	**676.42**	**842.06**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

21. INCOME AND DEFERRED TAXES

The major components of income tax expenses for the years ended March 31, 2026 and March 31, 2025 are:

Statement of profit and loss:

Profit and loss section

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current income tax:		
Current income tax charge	4,822.00	5,268.32
Tax for prior years	(93.92)	(146.26)
Deferred tax:		
Relating to origination and reversal of temporary differences	(203.24)	(156.93)
Income tax expense reported in the statement of profit and loss	**4,524.84**	**4,965.13**

OCI section

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax related to items recognised in OCI:		
Net Gain/(Loss) on revaluation of cash flow hedges	(1,306.19)	(264.27)
Net Gain/(Loss) on re-measurement of defined benefit plans	30.05	(44.43)
Net Gain/(Loss) on FVTOCI equity securities	(54.85)	8.64
Income tax charged to OCI	**(1,330.99)**	**(300.06)**

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for year ended March 31, 2026 and March 31, 2025

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before tax from operations	12,712.25	18,187.64
Applicable income tax rate of 25.168 % (March 31, 2025: 25.168%)	3,199.42	4,577.47
Exceptional items not deductible	1,363.64	384.51
Other disallowances	55.70	149.43
Adjustment in respect of reversal of income tax expense of earlier years	(93.92)	(146.26)
At the effective income tax rate of 35.59% (March 31, 2025: 27.30%)	**4,524.84**	**4,965.15**
Income tax expense reported in the statement of profit and loss	**4,524.84**	**4,965.13**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

21. INCOME AND DEFERRED TAXES (CONTD.)

Major components of deferred tax as at March 31, 2026 and March 31, 2025:

Deferred tax liability (net)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability		
Property, plant and equipment and intangible assets	1,259.12	1,434.40
Fair valuation of cash flow hedges	-	188.49
Fair valuation of FVTOCI equity securities	181.57	236.42
Right of Use Assets	623.31	689.02
Temporary differences in accounting treatment as required by Income tax standards	253.26	173.46
Total Deferred Tax Liability:	**2,317.26**	**2,721.79**
Deferred Tax Asset		
Lease liabilities	(743.11)	(790.23)
Fair valuation of cash flow hedges	(1,117.69)	-
Temporary differences in accounting treatment as required by Income tax standards	(924.15)	(865.02)
Total Deferred Tax Asset:	**(2,784.95)**	**(1,655.25)**

Major components of deferred tax for the year ended March 31, 2026 and March 31, 2025:

Deferred tax expense/(income)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	(175.28)	(173.77)
Temporary differences in accounting treatment as required by Income tax standards	(27.96)	16.84
Deferred tax expenses	**(203.24)**	**(156.93)**

Reflected in the balance sheet as follows

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets	(2,784.95)	(1,655.25)
Deferred tax liabilities	2,317.26	2,721.79
Deferred tax (assets)/liabilities (net)	**(467.69)**	**1,066.54**

Reconciliation of deferred tax liabilities (net)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	1,066.54	1,523.53
Tax expenses/(income) during the period recognised in profit or loss	(203.24)	(156.93)
Tax expenses/(income) during the period recognised in OCI	(1,330.99)	(300.06)
Closing balance	**(467.69)**	**1,066.54**

During the years ended March 31, 2026 and March 31, 2025, the Company has not surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to Standalone Financial Statements

for the year ended March 31, 2026

22. TRADE PAYABLES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Dues to micro enterprises and small enterprises* [Refer Note 43]	324.00	136.25
Dues to other than micro enterprises and small enterprises (including related parties payables)	13,686.83	13,727.07
Total	**14,010.83**	**13,863.32**

** MSME as per Micro, Small and, Medium and Enterprises Development Act, 2006.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest-bearing and are generally settled on 60 to 90 days terms.
- Other payables (under Notes 19 and 23) are non-interest-bearing and have an average term of 60 days
- For terms and conditions with related parties, **Refer Note 39.**

The above amount of trade payables is net off certain advances given to suppliers (Related parties) amounting to ₹ 720 million (March 31, 2025: ₹ 720 million). The Company currently has a legally enforceable right to set off the advance against the respective payables. The Company intends to settle these amounts on a net basis.

For the Company's credit risk management processes, **Refer Note 53.**

Trade payables ageing schedule

As at March 31, 2026

In ₹ Million

Particulars	Outstanding for following periods from due date of payment						
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises (Undisputed)**	-	230.79	93.21	-	-	-	324.00
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	3,868.13	6,340.34	2,635.52	344.78	191.71	306.35	13,686.83
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	**3,868.13**	**6,571.13**	**2,728.73**	**344.78**	**191.71**	**306.35**	**14,010.83**

* Unbilled represents accrual for expenses

** MSME as per Micro, Small and, Medium and Enterprises Development Act, 2006.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

22. TRADE PAYABLES (CONTD.)

As at March 31, 2025

In ₹ Million

Particulars	Outstanding for following periods from due date of payment						
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises (Undisputed)**	-	112.19	24.06	-	-	-	136.25
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,066.38	7,094.65	3,420.62	448.34	239.07	458.01	13,727.07
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	**2,066.38**	**7,206.84**	**3,444.68**	**448.34**	**239.07**	**458.01**	**13,863.32**

* Unbilled represents accrual for expenses

** MSME as per Micro, Small and, Medium and Enterprises Development Act, 2006.

23. OTHER LIABILITIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Contract liabilities (advances from customers and deferred revenue)$	585.55	-
	585.55	**-**
Current		
Contract liabilities (advances from customers and deferred revenue)$	866.61	773.97
Employee contributions and recoveries payable	106.60	116.54
Statutory dues payable including tax deducted at source#	412.75	271.57
Others*.	12.28	12.21
Total	**1,398.24**	**1,174.29**

$ The contract liabilities primarily relate to advance consideration received for contracts entered into with customers for which performance obligations are yet to be performed, therefore, revenue will be recognised when the risk is passed on to the customers.

Includes payable with respect to Goods and Services Tax, Gram Panchayat Tax, Withholding taxes, provident fund etc.

* 'Others' includes rent received in advance and miscellaneous liabilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

23. OTHER LIABILITIES (CONTD.)

Break up of the financial liabilities at amortised cost

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings **[Refer Note 18]**	37,644.95	39,816.77
Lease liabilities **[Refer Note 35]**	2,952.60	3,139.82
Other financial liabilities **[Refer Note 19]**	1,374.50	1,118.33
Trade payables **[Refer Note 22]**	14,010.83	13,863.32
Total financial liabilities carried at amortised cost	**55,982.88**	**57,938.24**

24. REVENUE FROM OPERATIONS

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of products		
- Sale of goods	78,649.23	83,177.09
- Tooling income	816.57	618.04
Total sale of products	**79,465.80**	**83,795.13**
Sale of services		
- Job work charges	420.31	351.10
- Service type warranty	3.84	24.61
Other operating revenues		
- Manufacturing scrap	3,029.58	3,141.11
- Government grants - export incentives [Refer Note 10]	1,003.06	1,093.52
- Sale of electricity/REC - Windmills	34.19	31.83
Total	**83,956.78**	**88,437.30**
- Within India	43,842.61	41,156.04
- Outside India	40,114.17	47,281.26
Total Revenue from operations	**83,956.78**	**88,437.30**

Set out below is the amount of revenue recognised from:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Amounts included in contract liabilities at the beginning of the year	402.33	483.43

For balances in respect of contract liabilities, **Refer Note 23** and trade receivables, **Refer Note 12.**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of products	79,465.80	83,795.13
Sale of services	424.15	375.71
Manufacturing scrap	3,029.58	3,141.11
Subtotal:	**82,919.53**	**87,311.95**
(Less): Adjustments (sales returns, discounts, hedging etc.)	741.62	(1,061.18)
Revenue as per contracted price	**83,661.15**	**86,250.77**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

25. OTHER INCOME

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend income from equity investments	9.04	8.34
Net (loss)/gain on fair valuation of financial instruments (FVTPL)	(186.57)	(767.30)
Net gain on sale of financial instruments	474.94	1,331.04
Government grants#	-	13.41
Liabilities/provisions no longer required written back	23.62	25.14
Interest Income on assets measured at amortised cost:		
- Fixed deposits and others**	480.80	460.41
- Loans to subsidiaries/associates	7.67	105.83
Rent **(Refer Note 35(b))**	231.24	156.94
Gain on sale/discard of property, plant and equipment (net)	178.73	-
Miscellaneous income	225.10	254.72
Total	**1,444.57**	**1,588.53**

Includes government grant on pre-shipment credit and bill discounting where the Company has availed the benefit of the interest equalisation scheme of the Reserve Bank of India. Interest on borrowings is accounted for on a gross basis in Note 29. There are no unfulfilled conditions or contingencies attached to these grants.

** Includes interest on account of unwinding of security deposits and interest income on fixed-income securities.

26. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Inventories at the beginning of the year **[Refer Note 11]**	6,930.94	4,812.52
Add: Purchases	36,024.39	38,029.69
Less: Inventories as at end of the year **[Refer Note 11]**	5,865.93	6,930.94
Less: Inventories pertaining to the defence business of the Company transfer to Kalyani Strategic Systems Limited (KSSL)	(2,156.09)	-
Total	**34,933.31**	**35,911.27**

27. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, DIES AND SCRAP

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Inventories at the end of the year [Refer Note 11]		
Work-in-progress [includes items lying with third parties]	5,950.17	4,801.54
Finished goods [includes items lying with third parties and items in transit]	2,372.49	2,317.33
Dies and dies under fabrication	324.68	236.30
Scrap	115.40	120.99
	8,762.74	**7,476.16**
Inventories at the beginning of the year [Refer Note 11]		
Work-in-progress [includes items lying with third parties]	4,801.54	5,085.99
Finished goods [includes items lying with third parties and items in transit]	2,317.33	2,057.15
Dies and dies under fabrication	236.30	265.97
Scrap	120.99	77.44
	7,476.16	**7,486.55**
Subtotal	**(1,286.58)**	**10.39**
Less: Inventories pertaining to the defence business of the Company transfer to Kalyani Strategic Systems Limited (KSSL)	(1,190.24)	-
Total	**(2,476.82)**	**10.39**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

28. EMPLOYEE BENEFITS EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus (including managing and whole-time directors' remuneration) [Refer Note 37 (d)]	5,853.11	5,416.04
Contributions to provident and other funds/scheme# [Refer Notes 37(a) and 37(b)]	395.52	438.58
Staff welfare expenses	511.42	511.44
Total	**6,760.05**	**6,366.06**

Other funds/scheme includes contribution towards the early retirement scheme and Employee State Insurance scheme

On November 21, 2025, the Government of India notified the provisions of four Labour Codes ('labour Codes') - the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, and the Occupational Safety, Health and Working Conditions Code 2020, thereby consolidating 29 existing labour laws into a comprehensive and unified framework. The Company has evaluated the impact of these changes and certain plan amendments using the best information available and the guidance provided by the Institute of Chartered Accountants of India and accordingly accounted for the increase in gratuity liability attributable to past service costs and increase in leave liability, aggregating to ₹ 487.26 million. The Company continues to monitor developments pertaining to the Labour Codes and will evaluate the impact, if any, on the measurement of the employee benefits liability [Refer Note 32].

29. FINANCE COSTS

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on bank facilities under amortised cost method	1,458.94	2,103.83
Exchange differences regarded as an adjustment to borrowing costs*	11.83	14.72
Interest on lease liabilities [Refer Note 35]	275.16	291.21
Others#	75.81	88.38
Total	**1,821.74**	**2,498.14**

* Represents exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs.

'Others' includes net interest expenses on defined benefit plans [Refer Note 37] etc.

30. DEPRECIATION AND AMORTISATION EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment [Refer Note 3]	4,197.03	4,117.04
Amortisation on intangible assets [Refer Note 5]	20.33	22.53
Depreciation on right-of-use assets [Refer Note 35]	263.13	264.12
Total	**4,480.49**	**4,403.69**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

31. OTHER EXPENSES

In ₹ Million

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores, spares and tools		3,433.45	3,729.86
Machining/subcontracting charges		3,699.41	2,866.57
Power, fuel and water	5,218.19		4,843.29
Less: Credit for energy generated	96.41		84.00
		5,121.78	**4,759.29**
Repairs and maintenance			
- Building repairs and road maintenance		106.65	109.33
- Plant and machinery		801.26	785.06
Contract labour charges		1,134.77	1,119.26
Rent [Refer Note 35]		11.29	9.62
Rates and taxes		60.00	84.48
Insurance		141.01	110.68
CSR expenditure [Refer Note 45]		360.20	306.00
Legal and professional fees		1,652.49	1,275.46
Commission		173.74	16.25
Donations#		0.60	223.90
Packing material		1,063.38	1,160.39
Freight forwarding charges		1,221.40	1,351.97
Directors' fees and travelling expenses		8.31	9.77
Commission to directors other than managing and whole-time directors		29.20	31.00
Loss on asset sold		-	0.99
Provision for doubtful debts and advances (including expected credit losses)		39.95	-
Bad debts/advances written off		0.10	-
Exchange difference (net)		55.69	202.82
Payment to auditors [Refer Note 31(a)]		28.07	27.28
Miscellaneous expenses **		2,531.73	2,935.52
	Total	**21,674.48**	**21,115.50**

** 'Miscellaneous expenses' includes travelling expenses, printing, stationery, postage, telephone, royalty, warranty, etc.

Includes political contributions amounting to ₹ 220 million through an Electoral Trust made under Section 182 of the Companies Act during the year ended March 31, 2025.

(a) Payment to auditors

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
As auditor:		
- Audit fee	14.14	13.45
- Audit fee related to subsidiary companies	18.42	-
- Limited review	8.06	8.06
- Others (including certification fees)	3.00	4.38
Reimbursement of expenses	2.87	1.39
	46.49	**27.28**
Certification fees for QIP-related work*	-	12.60
Less: recharge to subsidiaries	(18.42)	
Total	**28.07**	**39.88**

* Adjusted through the Securities Premium of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

31. OTHER EXPENSES (CONTD.)

(b) Capitalisation of expenditure

The Company has capitalised the following expenses under Property, plant and equipment/capital work in progress(CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on bank facilities	3.82	-
Total	**3.82**	**-**

32. EXCEPTIONAL ITEMS

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Statutory impact of new Labour Codes [(Refer Note 28]	(487.26)	-
Gain on transfer of Shares of Refu to KPL [(Refer Note 32(a)]	-	135.36
Loss on transfer of Shares of Tevva to BFIL UK [(Refer Note 32(b)]	-	(9.18)
Provision for impairment in value of investment in subsidiary [Refer Note 32(c)]	(4,996.50)	(1,456.63)
Provision for impairment in value of investment in other subsidiary [Refer Note 32(d)]	-	(10.10)
Provision for impairment in carrying cost of loan given to other subsidiary [Refer Note 32(d)]	-	(192.59)
Expenses incurred for restructuring of subsidiary [Refer Note 32(f)]	(425.64)	-
Gain on transfer of identified assets and liabilities pertaining to the Defence Business of the Company to Kalyani Strategic Systems Limited (KSSL) [Refer Note 32(e)]	413.55	-
Total	**(5,495.85)**	**(1,533.14)**

(a) REFU Drive GmbH (Refu)

During the previous year, the Company had transferred shares of its joint venture REFU Drive GmbH to its subsidiary, Kalyani Powertrain Limited. The Company has recognised a gain on the transfer of this investment.

(b) TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) (Tevva)

During the previous year, the company had transferred its investments in TMJ Electric Vehicles Limited to its subsidiary, Bharat Forge International Limited. The Company has recognised a loss on the transfer of this investment.

(c) Kalyani Powertrain Limited (KPL)

The company has made provision for impairment of the value of investment in equity instruments of KPL amounting to ₹ 4,996.50 million for the current year and ₹ 1,456.63 million for the previous year.

(d) BF Elbit Advanced Systems Private Limited

During the previous year, the company had made provision for impairment of the carrying cost of the loan given to BF Elbit Advanced Systems Private Limited of ₹ 192.59 million and provision for impairment of the value of the investment of ₹ 10.10 million in equity instruments of BF Elbit.

(e) Kalyani Strategic Systems limited (KSSL)

The Board of Directors of the Company approved the transfer of identified assets and liabilities pertaining to its Defence Business to Kalyani Strategic Systems Limited ('KSSL'), a wholly-owned subsidiary of the Company, as part of an internal restructuring exercise. During the year, the Company has recognised a gain of ₹ 413.55 million resulting from this transfer.

(f) Expenses incurred for restructuring of subsidiary

Expenses incurred in relation to the restructuring of steel forging operations of the wholly-owned subsidiary, Bharat Forge CDP GmbH, Germany.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below:

During the year ended March 31, 2026

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained earnings	Income tax/ Deferred tax effect	Total
Currency forward contracts	(4,680.19)	-	-	1,177.91	(3,502.28)
Reclassified to statement of (loss)	(509.69)	-	-	128.28	(381.41)
Gains/(losses) on FVTOCI financial assets	-	(383.58)	-	54.85	(328.73)
Remeasurement gains/(losses) on defined benefit plans	-	-	119.44	(30.06)	89.38
Total	**(5,189.88)**	**(383.58)**	**119.44**	**1,330.98**	**(4,123.04)**

During the year ended March 31, 2025

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI reserve	Retained earnings	Income tax/ Deferred tax effect	Total
Currency forward contracts	80.65	-	-	(20.30)	60.35
Reclassified to statement of (loss)	(1,130.68)	-	-	284.57	(846.11)
Gains/(losses) on FVTOCI financial assets	-	(316.91)	-	(8.64)	(325.55)
Remeasurement gains/(losses) on defined benefit plans	-	-	(176.54)	44.43	(132.11)
Total	(1,050.03)	(316.91)	(176.54)	300.06	(1,243.42)

34. EARNINGS PER EQUITY SHARE (EPS)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (in ₹ million)	**(A)**	8,187.41	13,222.51
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS [Refer Note 15(b)]	**(B)**	478,088,632	469,458,495
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS [Refer Note 15(b)]	**(C)**	478,088,632	469,458,495
Basic earnings per share of face value of ₹ 2/- each (in ₹)	**(A/B)**	17.12	28.16
Diluted earnings per share of face value of ₹ 2/- each (in ₹)	**(A/C)**	17.12	28.16

Notes to Standalone Financial Statements

for the year ended March 31, 2026

35. LEASES

(a) Company as lessee

The Company has lease contracts for a solar plant and various items of building and leasehold land, etc. used in its operations. These leases generally have lease terms between 2 and 18 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further mentioned below:

The Company also has certain leases for various assets with lease terms of 12 months or less, and for office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

In ₹ Million

Particulars	Leasehold land	Plant & Machinery	Buildings	Total
As at April 01, 2024	63.68	2,699.22	301.19	3,064.09
Additions	-	-	0.61	0.61
Disposals	-	-	-	-
Depreciation	(0.79)	(223.19)	(40.14)	(264.12)
As at March 31, 2025	**62.89**	**2,476.03**	**261.66**	**2,800.58**
Additions	-	-	2.27	2.27
Disposals	-	-	(1.02)	(1.02)
Depreciation	(0.79)	(223.19)	(39.15)	(263.13)
As at March 31, 2026	**62.10**	**2,252.84**	**223.76**	**2,538.70**

Below are the carrying amounts of lease liabilities and the movements during the year:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Balance	**3,139.83**	**3,309.47**
Additions	2.27	0.61
Disposals	(1.02)	-
Accretion of Interest	275.16	291.21
Payments	(463.68)	(461.46)
Closing Balance	**2,952.56**	**3,139.83**
Current	196.32	188.38
Non-Current	2,756.28	2,951.44

The maturity analysis of lease liabilities are disclosed in **Note 53.**

The effective interest rate for lease liabilities is between 8.88% p.a. and 9.80% p.a. (March 31, 2025: 7.56% to 9.35% p.a.)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

35. LEASES (CONTD.)

(a) Company as lessee (contd.)

The following are the amounts recognised in the statement of profit and loss:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation expense of right-of-use assets	263.13	264.12
Interest expense on lease liabilities	275.16	291.21
Expenses relating to short-term leases and low-value leases (included in 'Other Expenses')	11.29	9.62
Total amount recognised in profit and loss	**549.58**	**564.95**

The Company had total cash outflows for leases of ₹ 463.68 million (March 31, 2025: ₹ 461.46 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 2.27 million (March 31, 2025: ₹ 0.60 million) respectively.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether the extension and termination options are reasonably certain to be exercised **[Refer Note 52]**.

(b) Company as lessor

The Company has entered into agreements/arrangements in the nature of lease/sub-lease agreements with different lessees for plant and machinery, land and building. Periods of agreement/arrangement are generally three to 25 years and cancellable with a notice of 30 days to six months and renewal at the option of the lessee/lessor.

Future minimum rentals receivable under leases are as follows:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Within one year	142.92	146.73
After one year but not more than five years	358.57	237.92
More than five years	26.07	77.93
Total	**527.56**	**462.58**

36. SEGMENT INFORMATION

In accordance with paragraph 4 of the notified Ind AS 108 'Operating segments', the Company has disclosed segment information only on the basis of the consolidated financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Code on Social Security, 2020. The gratuity plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the provisions of the Code on Social Security, 2020 or as per the Company Scheme, as applicable. Vesting occurs upon completion of the contractual period of continuous years of service as defined in the Code on Social Security, 2020. The Company manages the plan through a Trust.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as the Company takes on uncertain long-term obligations to make future benefit payments.

1) Liability risks

a) Asset-liability mismatch risk

Risk arises when there is a mismatch between the duration of assets and liabilities. By matching duration and the defined benefit liabilities, the Company can neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often lead to higher future defined benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are managed by the Trust and are invested in various funds (mainly LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk-averse markets. The Company has no control over the management of funds, and this option provides a high level of safety for the total corpus. A single account is maintained for both investment and claim settlement, and hence, 100% liquidity is ensured, and interest rate and inflation risk are also taken care of.

The following table summarises the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plans.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

The principal assumptions used in determining gratuity for the Company's plan are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.30%	6.80%
Expected rate of return on plan assets	6.80%	7.20%
Rate of increase in compensation levels		
Executive Directors	10.00%	10.00%
Others	7.00%	7.00%
Expected average remaining working lives (in years)*	10.31*	10.46*
Withdrawal rate (based on grade and age of employees)		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is an actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the beginning of the period	1,748.15	1,451.63
Interest expenses	114.87	101.70
Past service cost	507.05	104.71
Current service cost	111.20	97.29
Transfer of liability due to inter-company transfers	(46.71)	-
Benefits paid	(47.77)	(78.29)
Remeasurements on obligation [actuarial (gain)/loss]	(17.55)	71.11
Closing defined benefit obligation	**2,369.24**	**1,748.15**

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	1,338.45	1,204.70
Interest income	94.46	88.56
Contributions	140.00	129.01
Benefits paid	(39.08)	(78.29)
Transfer In/(Out)	0.25	-
Mortality Charges and Taxes	(3.13)	-
Remeasurements - Return on plan assets, excluding amount included in Interest Income	0.61	(5.53)
Closing fair value of plan assets	**1,531.56**	**1,338.45**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

Net interest expense/(income)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Interest expense on defined benefit obligation	114.87	101.70
Interest (income) on plan assets	(94.46)	(88.56)
Net interest expense for the period	**20.41**	**13.14**

Remeasurements for the period [actuarial (gain)/loss]

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Experience (gain)/loss on plan liabilities	70.91	(16.16)
Financial (gain)/loss on plan liabilities	(88.45)	87.27
Experience (gain)/loss on plan assets	(6.16)	1.84
Financial (gain)/loss on plan assets	5.56	3.69

Amount recognised in statement of other comprehensive income (OCI)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Remeasurement (gain)/loss for the period on defined benefit obligation		
(Gain)/loss on plan liabilities due to experience assumptions	70.91	(16.16)
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	(88.45)	87.27
Remeasurement (gain)/loss for the period on plan asset		
(Gain)/loss on plan assets due to experience assumptions	(6.16)	1.84
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	5.56	3.69
Total remeasurement cost for the period recognised in OCI	**(18.14)**	**76.64**

The amounts to be recognised in the balance sheet

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation	(2,369.24)	(1,748.15)
Fair value of plan assets	1,531.56	1,338.45
Net asset/(liability) to be recognised in the balance sheet	**(837.68)**	**(409.70)**

Expenses recognised in the Statement of Profit and Loss

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost **(Refer Note 28)**	111.20	97.29
Past service cost **(Refer Note 28)**	507.05	104.71
Net interest expenses **(Refer Note 29)**	20.41	13.14
Transfer of liability due to inter-company transfers	(46.71)	-
Transfer In/(Out)	(0.25)	-
Net periodic benefit cost recognised in the Statement of Profit and Loss	**591.70**	**215.14**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

Reconciliation of net asset/(liability) recognised:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) recognised at the beginning of the period	(409.70)	(246.93)
Company's contributions	140.00	129.01
Expenses recognised for the year	(591.70)	(215.14)
Amount recognised in OCI	18.14	(76.64)
Benefits directly paid by the company	8.70	-
Mortality Charges and Taxes	(3.13)	-
Net asset/(liability) recognised at the end of the period	**(837.69)**	**(409.70)**

The Company expects to contribute ₹ 240.00 million to the gratuity fund in the next year (March 31, 2025: ₹ 130.00 million)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by insurer	**100.00%**	**100.00%**

Sensitivity analysis:

A) Impact of change in discount rate when the base assumption is decreased/increased on defined benefit obligations

In ₹ Million

Discount rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	2,216.56	1,900.25
Increase by 1%	2,550.23	1,616.65

B) Impact of change in the rate of increase in compensation levels on defined benefit obligation

In ₹ Million

Rate of increase in compensation levels	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	2,240.39	1,631.00
Increase by 1%	2,526.40	1,880.72

C) Impact of change in withdrawal rate when the base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Withdrawal rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	2,421.43	1,761.06
Increase by 1%	2,390.30	1,738.54

The estimates of future compensation level increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation resulting from reasonable changes in key assumptions at the end of the reporting period.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

The following are the expected benefit payments to the gratuity Trust in future years:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	241.88	163.28
After one year but not more than five years	1,287.05	735.13
After five years but not more than 10 years	1,259.23	813.81

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.28 years (March 31, 2025: 10.78 years).

(b) Special gratuity

The Company has a defined benefit special gratuity plan. Under this plan, every eligible employee who has completed 10 years of service receives an additional gratuity upon departure, which is the salary for specified months based on the last drawn basic salary. The scheme is unfunded.

1) Liability risks

a) Asset-liability mismatch risk

Risk arises when there is a mismatch between the duration of the assets and liabilities. By matching duration and the defined benefit liabilities, the Company can neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often lead to higher future defined benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Company's financial statements and also benefit risk through return on the funds made available for the plan.

The principal assumptions used in determining special gratuity for the Company's plan is shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	6.80%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)*	10.73*	11.15*
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	5.00%	5.00%
Age 31 - 44 years	5.00%	5.00%
Age 45 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (contd.)

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the beginning of the period	211.06	198.34
Interest expense	14.34	14.24
Benefits paid	(0.38)	(1.03)
Remeasurements on obligation [actuarial (gain)/loss]	(15.98)	(0.49)
Closing defined benefit obligation	**209.04**	**211.06**

Net Interest Expense/(Income)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on defined benefit obligation	14.34	14.24
Net interest expense for the period	**14.34**	**14.24**

Remeasurements for the period

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Experience (gain)/loss on plan liabilities	(7.40)	(9.14)
Demographic loss on plan liabilities	-	-
Financial (gain)/loss on plan liabilities	(8.58)	8.65

Amount recognised in statement of other comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement for the period-obligation (gain)/loss		
(Gain)/loss on plan liabilities due to experience assumptions	(7.40)	(9.14)
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	(8.58)	8.65
Remeasurement for the period-Plan assets (gain)/loss		
(Gain)/loss on plan assets due to experience assumptions	-	-
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	-	-
Total remeasurement (gain)/loss for the period recognised in OCI	**(15.98)**	**(0.49)**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (contd.)

The amounts to be recognised in the balance sheet

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the end of the period	(209.04)	(211.06)
Fair value of plan assets as at the end of the period	-	-
Net asset/(liability) to be recognised in the balance sheet	**(209.04)**	**(211.06)**

Expenses recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost [Refer Note 28]	-	-
Past service cost	-	-
Net interest expense [Refer Note 29]	14.34	14.24
Net periodic benefit cost recognised in the statement of profit and loss	**14.34**	**14.24**

Reconciliation of net asset/(liability) recognised:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) recognised at the beginning of the period	(211.06)	(198.34)
Company's contributions	-	-
Benefits directly paid by Company	0.38	1.03
Expense recognised for the year	(14.34)	(14.24)
Amount recognised in OCI	15.98	0.49
Net asset/(liability) recognised at the end of the period	**(209.04)**	**(211.06)**

The following are the expected benefit payments to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	14.26	12.79
After one year but not more than five years	66.15	63.51
After five years but not more than ten years	116.23	110.61

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 11.90 years (March 31, 2025: 12.46 years)

Sensitivity analysis

A) Impact of change in discount rate when the base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	231.47	235.14
Increase by 1%	189.62	190.36

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (contd.)

B) Impact of change in rate of increase in compensation levels on defined benefit obligation

In ₹ Million

Rate of increase in compensation levels	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	191.19	192.01
Increase by 1%	229.16	232.68

C) Impact of change in withdrawal rate when the base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Withdrawal rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	208.72	211.40
Increase by 1%	209.32	210.74

(c) Provident Fund

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund. The Company operates two plans for its employees to provide employee benefits in the nature of provident fund, viz. defined contribution plan and defined benefit plan.

Under the defined contribution plan, the provident fund is contributed to the government-administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund (Refer to Note 28).

Under the defined benefit plan, the Company contributes to the "Bharat Forge Company Limited Staff Provident Fund Trust". The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The details of the defined benefit plan based on actuarial valuation report are as follows:

1) Liability risks:

a) Asset-liability mismatch risk

Risk arises when there is a mismatch between the duration of assets and liabilities. By matching duration and the defined benefit liabilities, the Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often lead to higher future defined benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks:

All plan assets are managed by the Trust and funds are invested in various securities as per the prescribed pattern by the Government. The Company has no control over the management of funds, and this option provides a high level of safety for the total corpus.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(c) Provident Fund (contd.)

The principal assumptions used in determining provident fund liability/shortfall for the Company's plan are shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.30%	6.90%
Interest rate declared by Employees' Provident Fund Organisation for the year	8.25%	8.25%
Yield spread	0.50%	0.50%
Expected rate of return on plan assets	6.90%	7.20%
Expected average remaining working lives of employees (in years)	10.38*	10.52*
Withdrawal rate		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is an actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

Table showing changes in present value of defined benefit obligations:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation at the beginning of the period	4,667.66	4,269.68
Interest cost	306.84	292.46
Current service cost	169.45	149.84
Employee contribution	213.71	201.77
Benefits paid	(441.41)	(415.46)
Remeasurements on obligation [actuarial (gain)/loss]	(53.77)	169.37
Present value of defined benefit obligation as at the end of the period	**4,862.48**	**4,667.66**

Table showing changes in fair value of plan assets (surplus account)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets as at the beginning of the period (surplus account)	4,595.86	4,269.38
Interest income	314.56	304.80
Employer contribution	153.57	141.62
Employee contribution	213.71	201.77
Benefits paid	(441.41)	(415.46)
Remeasurement- return on plan assets excluding amount included in interest income	17.14	93.75
Fair value of plan assets as at the end of the period (surplus account)	**4,853.43**	**4,595.86**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(c) Provident Fund (contd.)

Net interest expense/(income)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expenses on defined benefit obligation	306.84	292.46
Interest (income) on plan assets	314.56	304.80
Net Interest Expense/(Income) for the period	**(7.72)**	**(12.34)**

The amounts to be recognised in the balance sheet:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Present value of Provident fund liability as at end of the period	4,862.48	4,667.66
Fair value of the plan assets as at the end of the period (surplus account)	4,853.43	4,595.86
(Deficit)	**(9.05)**	**(71.80)**
Net (liability) recognised in the balance sheet	(9.05)	(71.80)

Amount recognised in the statement of other comprehensive income (OCI):

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Remeasurement (gain)/loss for the period on defined benefit obligation	(53.77)	169.37
Remeasurement (gain)/loss fo the period on plan assets	(17.14)	(93.75)
Total remeasurement (gain)/loss for the period recognised in OCI	**(70.91)**	**75.62**

Expense recognised in the statement of profit and loss:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost [Refer Note 28]	169.45	149.84
Net interest expense [Refer Note 29]	(7.72)	(12.34)
Net periodic benefit cost recognised in the statement of profit and loss	**161.73**	**137.50**

Sensitivity analysis

A) Impact of change in discount rate when the base assumption is decreased/increased by 50 basis points - present value of obligation

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 0.50%	4,946.47	4,755.47
Increase by 0.50%	4,785.85	4,584.75

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(c) Provident Fund (contd.)

B) Impact of change in expected future interest rate on Provident fund when base assumption is decreased/increased by 50 basis point - present value of obligation

In ₹ Million

Provident fund interest rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 0.50%	4,785.12	4,586.54
Increase by 0.50%	4,942.88	4,748.78

(d) Pension and other obligation

The Company has a defined benefit pension and medical reimbursement plan for certain key managerial personnel and ex-employees as approved by the remuneration committee. This plan provides lifetime monthly pension payments to such employees as stipulated in the policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on the projected accrued credit method carried out for assessing the provision as on the reporting date.

1) Liability risks

a) Discount rate risk

Variations in the discount rate used to compute the present value of liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

b) Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk that the Company may default on payment of benefits in adverse circumstances. Funding the plan removes volatility in the Company's financial statements and also benefits risk through the return on the funds made available for the plan.

The principal assumptions used in determining pension for the Company's plan are shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.40%	6.80%
Rate of increase in compensation levels	10.00%	10.00%
Rate of increase in pension	5.50%	5.50%
Medical inflation rate	14.00%	14.00%
Expected average remaining working lives (in years)*	12.74*	12.92*

* It is an actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

The following tables states the net (asset)/liability as at year end:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current pension and medical reimbursement obligation expected to be settled in the next 12 months	13.22	12.53
Pension and medical reimbursement obligation expected to be settled beyond 12 months	481.85	360.04
	495.07	**372.57**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(d) Pension and other obligation (contd.)

Sensitivity analysis:

A) Impact of change in discount rate when the base assumption is decreased/increased on defined benefit obligations

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	533.22	404.92
Increase by 1%	460.91	343.89

B) Impact of change in pension increment rate and salary increment rate when the base assumption is decreased/increased on defined benefit obligations

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	466.28	357.59
Increase by 1%	526.47	388.80

38. CONTINGENT LIABILITIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Guarantees given by the Company's Bankers on behalf of the Company, against the sanctioned guarantee limit of ₹ 12,750 million (March 31, 2025: ₹ 7,250 million) for contracts undertaken by the Company are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares, book debts, etc.	8,177.73	4,012.92
Claim against the Company not acknowledged as Debts - to the extent ascertained **[(Refer note 38(a)]**	728.79	645.07
Excise/Service tax demands - matters under dispute* **[(Refer Note 38(b)]**	301.51	295.10
Customs demands - matters under dispute* **[(Refer Note 38(c)]**	96.77	43.29
Income tax demands - matter under dispute **[(Refer Note 38(d)]**	109.18	60.07

* includes interest calculated till reporting date and penalties

(a) The Company is contesting the demands raised pertaining to property tax.

(b) Includes the amount pertaining to incentives received under Government schemes, etc.

(c) Includes the amount pertaining to classification differences of products, etc.

(d) Includes the amount pertaining to matters relating to the applicability of TDS

The Company is contesting the demands and the management, including its tax/legal advisors, believes its position is likely to be upheld in the appellate process. No provision has been recognised in the financial statements for the tax demand raised. The management, based on its internal assessment and advice by its legal counsel, believes that it is only possible/remote, but not probable, that the action will succeed.

Note: In cases where amounts have been accrued, they have not been included above.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Related parties where control exists	
Subsidiaries	Bharat Forge Global Holding GmbH
	Bharat Forge America Inc.
	BF Infrastructure Limited
	Kalyani Strategic Systems Limited
	Bharat Forge International Limited
	BF Elbit Advanced Systems Private Limited
	Indigenous IL Limited (Deregistrated on May 06, 2025)
	Kalyani Centre for Precision Technology Limited
	Eternus Performance Materials Private Limited
	Kalyani Powertrain Limited
	BF Industrial Solutions Limited
	Kalyani Lightweighting Technology Solutions Limited
	K Drive Mobility Solutions Private Limited
Step-down subsidiaries	Bharat Forge CDP GmbH
	Bharat Forge Holding GmbH
	Bharat Forge Tennessee Inc.
	Bharat Forge PMT Technologie LLC
	Bharat Forge Aluminiumtechnik GmbH
	Bharat Forge Kilsta AB
	Bharat Forge Daun GmbH
	Kalyani Rafael Advanced Systems Private Limited
	Mecanique Generale Langroise
	Bharat Forge Aluminium USA, Inc.
	Kalyani Mobility INC.
	BFIL-CEC JV
	Kalyani Strategic Systems Australia Pty Limited (Deregistered with effect from May 26, 2024)
	Sagar-Manas Technologies Limited
	Ferrovia Transrail Solutions Private Limited
	J S Auto Cast Foundry India Private Limited
	Electroforge Limited
	Lycan Electric Private Limited
	BF Industrial Technology & Solutions Limited
	Zorya Mashproekt India Private Limited (w.e.f. January 24, 2024)
	Sanghvi Europe B.V.
	Tork Motors Private Limited
Related parties with whom transactions have taken place during the period	
Joint ventures	BF NTPC Energy Systems Limited (under liquidation)
	REFU Drive GmbH (up to August 22, 2024)
Joint venture of a subsidiary	REFU Drive GmbH (w.e.f August 22, 2024)
Subsidiary of a joint venture	Refu Drive India Private Limited (up to August 22, 2024)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Associates and subsidiaries/associates of associates	Avaada MHVidarbha Private Limited
	Aeron Systems Private Limited
	Edgelab S.p.A.
Relatives of key management personnel	Mr. G. N. Kalyani
	Mrs. R. G. Kalyani
	Ms. S. G. Kalyani
	Mr. V. G. Kalyani
	Smt. V. E. Tandale
	Ms. Neeraja Puranam
	Mrs. A. P. Kore
	Mrs. Deeksha Amit Kalyani
Post-employment benefit Trusts	Bharat Forge Company Limited Staff Provident Fund
	Bharat Forge Company Limited Employees Group Gratuity Fund
	Bharat Forge Company Limited Officers' Group Gratuity Fund
	Bharat Forge Company Limited Officers' Superannuation Scheme
Other related parties (Enterprises owned or significantly influenced by key management personnel or their relatives)	Kalyani Steels Limited
	BF Utilities Limited
	Khed Economic Infrastructure Private Limited
	Kalyani Maxion Wheels Private Limited
	Automotive Axles Limited
	Kalyani Cleantech Private Limited (up to June 07, 2023)
	United Metachem Private Limited (up to September 03, 2024)
	Harmony Electoral Trust
	Saarloha Advanced Materials Private Limited
	Nandi Economic Corridor Enterprises Limited
	Baramati Speciality Steels Limited
	Kalyani Technoforge Limited
	Kalyani Transmission Technologies Private Limited
	KGEPL Engineering Solutions Private Limited
	Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)
	Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)
	KTMS Properties Company Private Limited
	KTMS Design and Engineering Private Limited (formerly known as Kalyani Global Engineering Private Limited)
	KSMS Technologies Solutions Private Limited
	Inmet Technology Solutions Private Limited
	Govalkonda Trading Company Private Limited (merged with KSMS Technologies Solutions Private Limited wef. April 01, 2025)
	Synise Technologies Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Other related parties (contd.)	Peach Blossom Investment Private Limited
	Purandhar Trading Company Private Limited (merged with KSMS Technologies Solutions Private Limited wef. April 01, 2025)
	Meritor HVS (India) Limited
	Raigad Trading Company Private Limited (merged with KSMS Technologies Solutions Private Limited wef. April 01, 2025)
	Vishalgad Trading Company Private Limited (merged with KSMS Technologies Solutions Private Limited wef. April 01, 2025)
	Institute for Prostate Cancer
	P&A Law Offices
	Paramraj Advisory LLP
	India Engineering Private Limited
	KSL Holdings Private Limited
	Ajinkya Investment & Trading Company
	Sundaram Trading and Investment Private Limited
	Kalyani Investment Company Limited
	BF Investments Limited
	Rajgad Trading Company Private Limited
	Tangmarg Trading and Investment Private Limited
	Yusmarg Trading and Investment Private Limited
	Kalyani Consultants Private Limited
	Jannhavi Investment Private Limited
	Dronacharya Trading and Investment Private Limited
	Cornflower Investment & Finance Limited
	Dandkaranya Trading and Investment Private Limited
	Campanula Investment & Finance Limited
	Hastinapur Trading and Investment Private Limited
	Kalyani Export & Investment Pvt Ltd
	Aboli Investment Pvt Ltd
	Wathar Investment & Trading Co. Pvt Ltd
	Radium Merchandise Private Limited
Key management personnel	Mr. B. N. Kalyani (Chairman and Managing Director)
	Mr. A. B. Kalyani (Vice Chairman and Joint Managing Director)
	Mr. B. P. Kalyani (Executive Director)
	Mr. K. P. Dixit (CFO)
	Mr. A. B. Ram (Non-Executive Director)
	Ms. T. R. Chaudhari (Company secretary)
	Mr. P. G. Pawar (Independent Director) (up to September 03, 2024)
	Mrs. L. D. Gupte (Independent Director) (up to September 03, 2024)
	Mr. P. H. Ravikumar (Independent Director) (up to September 03, 2024)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Key management personnel (contd.)	Mr. V. R. Bhandari (Independent Director) (up to September 03, 2024)
	Mr. Dipak Mane (Independent Director)
	Mr. Murali Sivaraman (Independent Director) (up to June 20, 2024)
	Mr. Kanwar Bir Singh Anand (Independent Director)
	Mrs. Sonia Singh (Independent Director)
	Mr. Anand S. Pathak (Independent Director) w.e.f July 12, 2024)
	Mr. Ravi Kapoor (Independent Director) up to September 30, 2025)
	Ms. Rashmi Joshi (Independent Director) w.e.f December 30, 2024)

Transactions and balances less than 10% of the total transactions and balances are disclosed as "Others".

(ii) Related party transactions

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
1	**Purchase of raw materials, components, stores, spares**	**Subsidiaries**		
		Kalyani Powertrain Limited	-	9.25
		Kalyani Strategic Systems Limited	63.25	11.06
		Others	-	-
			63.25	**20.31**
		Step-down subsidiaries		
		BF Industrial Technology & Solutions Limited	96.57	31.64
		J S Auto Cast Foundry India Private Limited	176.27	156.52
		Others	2.11	3.62
			274.95	**191.78**
		Associate		
		Aeron Systems Private Limited	1.09	27.23
			1.09	**27.23**
		Other related parties		
		Kalyani Steels Limited	4,714.36	5,166.12
		Kalyani Technoforge Limited	695.33	734.15
		Saarloha Advanced Materials Private Limited	12,487.38	13,456.62
		Kalyani Transmission Technologies Private Limited	32.95	32.22
		Others	15.26	36.09
			17,945.28	**19,425.20**
			18,284.57	**19,664.52**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
2	**Other expenses**			
	- Machining/subcontracting charges	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	826.99	575.23
		Bharat Forge International Limited	-	61.90
		Others	-	0.91
			826.99	**638.04**
		Step-down subsidiaries		
		BF Industrial Technology & Solutions Limited	79.58	36.60
			79.58	**36.60**
		Other related parties		
		Kalyani Technoforge Limited	53.98	49.49
		Synise Technologies Limited	14.70	27.53
		KTMS Design and Engineering Private Limited	98.17	83.13
		Kalyani Transmission Technologies Private Limited	1.88	8.86
		Saarloha Advanced Materials Private Limited	0.30	1.31
		India Engineering Private Limited	**17.55**	**-**
		Others	1.59	2.67
			188.17	**172.99**
			1,094.74	**847.63**
	- Power, fuel and water	**Associates and subsidiaries of associates**		
		Avaada MHVidarbha Private Limited	163.96	170.45
			163.96	**170.45**
		Other related parties		
		BF Utilities Limited	65.70	49.92
			65.70	**49.92**
			229.66	**220.37**
	- Rent*	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	0.09	0.09
			0.09	**0.09**
		Other related parties		
		United Metachem Private Limited (up to September 03, 2024)	-	4.97
		KTMS Properties Company Private Limited	24.90	22.64
		Others	4.70	4.46
			29.60	**32.07**
			29.69	**32.16**

* The lease arrangements that have been considered for Ind AS 116 disclosures in Note no. 35 and taken to right-of-use assets, have been considered in rent expenses for disclosing actual transactions with related parties.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
	- Legal and professional fees	**Subsidiaries**		
		Bharat Forge Global Holding GmbH	106.60	90.29
		Bharat Forge America Inc.	153.89	148.25
		Bharat Forge International Limited	349.53	-
		Others	-	2.14
			610.02	**240.68**
		Step-down subsidiaries		
		Bharat Forge Kilsta AB	0.82	3.33
		Bharat Forge Aluminiumtechnik GmbH	31.10	43.01
		Zorya Mashproekt India Private Limited	-	6.49
		Bharat Forge CDP GmbH	-	48.36
			31.92	**101.19**
		Other related parties		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	200.00	200.00
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	228.21	137.34
		Peach Blossom Investment Private Limited	10.32	17.56
		P&A Law Offices	23.88	-
		Paramraj Advisory LLP	18.30	-
		Others	-	2.60
			480.71	**357.50**
			1,122.65	**699.37**
	- Directors' fees and travelling expenses	**Key management personnel**		
		Mr. P. G. Pawar	-	1.07
		Mrs. L. D. Gupte	-	0.62
		Mr. P. H. Ravikumar	-	0.79
		Mr. A. B. Ram	1.15	0.92
		Mr. V. R. Bhandari	-	1.09
		Mr. Dipak Mane	1.47	1.45
		Mr. Murali Sivaraman	-	0.27
		Mr. Kanwar Bir Singh Anand	1.31	1.21
		Mrs. Sonia Singh	0.96	1.11
		Mr. Anand Pathak	0.95	0.63
		Mr. Ravi Kapoor	0.80	0.34
		Ms. Rashmi Joshi	1.66	0.27
			8.30	**9.77**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
	- Commission to directors other than managing directors	**Key management personnel**		
		Mr. P. G. Pawar	-	4.00
		Mrs. L. D. Gupte	-	1.80
		Mr. P. H. Ravikumar	-	2.40
		Mr. V. R. Bhandari	-	3.80
		Mr. D B Mane	3.60	3.40
		Mr. Murali Sivaraman	-	1.00
		Mr. Kanwar Bir Singh Anand	5.20	4.00
		Mrs. Sonia Singh	3.80	3.60
		Mr. A. B. Ram	4.60	3.40
		Mr. Anand Pathak	2.60	1.80
		Mr. Ravi Kapoor	2.80	1.00
		Ms. Rashmi Joshi	6.60	0.80
			29.20	**31.00**
	- Miscellaneous expenses	**Other related parties**		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	232.44	186.23
			232.44	**186.23**
	- Reimbursement of expenses received	**Subsidiaries**		
		Bharat Forge International Limited	-	39.81
		Kalyani Centre For Precision Technology Limited	39.41	28.47
		Kalyani Strategic Systems Limited	42.97	71.21
		BF Elbit Advanced Systems Private Limited	2.41	-
		K Drive Mobility Solutions Private Limited	23.88	-
		Others	14.55	28.45
			123.22	**167.94**
		Step-down subsidiaries		
		Bharat Forge PMT Technologie LLC	-	4.07
		Bharat Forge Aluminiumtechnik GmbH	0.39	7.54
		J S Auto Cast Foundry India Private Limited	-	0.15
		Kalyani Rafael Advance Systems Private Limited	0.45	-
		Bharat Forge Kilsta AB	2.44	-
			3.28	**11.76**
		Other related parties		
		Kalyani Technoforge Limited	7.54	57.92
		Saarloha Advanced Materials Private Limited	8.61	210.34
		Kalyani Steels Limited	16.86	55.42
		Others	1.06	1.09
			34.07	**324.77**
			160.57	**504.47**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
	- Reimbursement of expenses paid	**Subsidiaries**		
		Kalyani Powertrain Limited	20.73	1.65
		Bharat Forge International Limited	-	145.07
		Kalyani Strategic Systems Limited	197.63	19.38
			218.36	**166.10**
		Step-down subsidiaries		
		Bharat Forge Aluminium USA, Inc	3.87	4.75
		Bharat Forge Aluminiumtechnik GmbH	0.38	
			4.25	**4.75**
		Step-down subsidiaries		
		Kalyani Rafael Advance Systems Private Limited	-	2.48
			-	**2.48**
			222.61	**173.33**
	- Repairs and maintenance	**Other related parties**		
		KTMS Properties Company Private Limited	21.39	16.96
			21.39	**16.96**
	- Recovery of freight	**Subsidiaries**		
		Bharat Forge International Limited	58.33	130.57
			58.33	**130.57**
			3209.58	**2,851.86**
3	**Sale of goods, manufacturing scrap and (net of returns, rebate etc.)**	**Subsidiaries**		
		Bharat Forge International Limited	20,928.47	29,048.62
		Kalyani Strategic Systems Limited	9,751.00	10,167.68
		Kalyani Powertrain Limited	753.48	8.24
		Kalyani Centre for Precision Technology Limited	294.01	-
		K Drive Mobility Solutions Private Limited	259.67	-
			31,986.63	**39,224.54**
		Step-down subsidiaries		
		Bharat Forge PMT Technologie LLC	718.44	385.20
		Bharat Forge Aluminium USA, Inc	43.72	112.18
		Others	31.24	58.04
			793.40	**555.42**
		Other related parties		
		Automotive Axles Limited	100.46	131.05
		Saarloha Advanced Materials Private Limited	2,649.23	2,916.15
		Others	22.09	39.40
			2,771.78	**3,086.60**
			35,551.81	**42,866.56**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
4	**Sale of Services**	**Subsidiaries**		
		Kalyani Powertrain Limited	31.26	-
			31.26	**-**
		Step-down subsidiaries		
		BF Industrial Technology & Solutions Limited	4.66	17.33
			4.66	**17.33**
		Other related parties		
		Automotive Axles Limited	184.68	182.76
		Saarloha Advanced Materials Private Limited	95.24	88.47
		Others	0.80	3.51
			280.72	**274.74**
			316.64	**292.07**
5	**Sale of stores, spares and raw materials**	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	245.63	37.69
		Kalyani Strategic Systems Limited	2,693.98	-
			2939.61	**37.69**
6	**Sale of Investment**	**Subsidiaries**		
		Kalyani Powertrain Limited	-	919.14
		Bharat Forge International Limited	-	9.71
			-	**928.85**
7	**Sale of property, plant and equipment**	**Subsidiaries**		
		Kalyani Strategic Systems Limited	206.69	-
			206.69	**-**
		Other related parties		
		Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)	35.32	-
			35.32	**-**
			242.01	**-**
8	**Other income**			
	- Rent	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	76.88	34.77
		Kalyani Powertrain Limited	24.50	24.15
		Kalyani Strategic Systems Limited	21.36	-
		Others	2.09	2.17
			124.83	**61.09**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
8	**Other income (contd.)**	**Step-down subsidiaries**		
	- Rent (contd.)	BF Industrial Technology & Solutions Limited	5.71	5.71
			5.71	**5.71**
		Other related parties		
		Kalyani Technoforge Limited	20.07	20.07
		Kalyani Maxion Wheels Private Limited	70.27	57.97
		Others	7.85	9.25
			98.19	**87.29**
			228.73	**154.09**
	- Miscellaneous income	**Subsidiaries**		
		Bharat Forge America Inc.	-	6.39
		Kalyani Strategic Systems Limited	29.05	1.67
			29.05	**8.06**
		Step-down subsidiaries		
		Bharat Forge Aluminium USA, Inc.	47.10	38.24
		Bharat Forge PMT Technologie LLC	2.32	-
			49.42	**38.24**
			78.47	**46.30**
			307.20	**200.39**
9	**Purchase of property, plant and equipments, intangible assets (including CWIP)**	**Subsidiaries**		
		Kalyani Centre For Precision Technology Limited	39.40	4.98
		Kalyani Powertrain Limited	0.71	
			40.11	**4.98**
10	**Investment**	**Subsidiaries**		
		Bharat Forge America Inc.*	-	9,859.14
		Kalyani Powertrain Limited	657.00	3,779.49
		BF Industrial Solutions Limited	290.00	180.00
		Bharat Forge Global Holding GmbH#	2,805.28	3,546.71
		Kalyani Strategic Systems Limited **	4,533.00	-
			8,285.28	**17,365.34**
		Other related parties$		
		Khed Economic Infrastructure Private Limited	46.06	9.98
			46.06	**9.98**
			8,331.34	**17,375.32**
	- Loans given	**Subsidiaries**		
		Bharat Forge America Inc.	-	1,039.32
		Step-down subsidiaries		
		J S Auto Cast Foundry India Private Limited	114.05	-
			114.05	**1,039.32**
			114.05	**1,039.32**
			8,445.39	**18,414.64**

* For the previous year, includes a loan given of ₹ 1,008.80 million as on March 31, 2025 which is converted into investment
\# For the previous year, includes a loan given of ₹ 89.86 million as on March 31, 2025 which is converted into investment
$ Includes fair valuation impact
** consideration settled by allotment of 8% Optionally Convertible Redeemable Preference Shares

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
11	Recovery of loans given	**Step-down subsidiaries**		
		J S Auto Cast Foundry India Private Limited	114.05	-
			114.05	**-**
12	Security deposit received	**Subsidiaries**		
		Kalyani Powertrain Limited	0.02	-
		BF Infrastructure Limited	0.06	
			0.08	**-**
		Other related parties		
		Kalyani Maxion Wheels Private Limited	-	100.00
			-	**100.00**
			0.08	**100.00**
13	Advance given	**Subsidiaries**		
		Kalyani Powertrain Limited	10.20	-
			10.20	**-**
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	0.12	2.19
			0.12	**2.19**
			10.32	**2.19**
14	Advance given recovered	**Subsidiaries**		
		Kalyani Powertrain Limited	10.20	-
		Other related parties		
		Khed Economic Infrastructure Private Limited	-	665.95
			10.20	**665.95**
15	Capital advance given	**Other related parties**		
		KTMS Design and Engineering Private Limited	-	34.61
		Step-down subsidiaries		
		Bharat Forge CDP GMBH	309.96	-
			309.96	**34.61**
16	Capital advance received	**Other related parties**		
		KTMS Design and Engineering Private Limited	14.71	-
			14.71	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
17	Interest income	**Subsidiaries**		
		Bharat Forge America Inc.	-	74.89
		BF Elbit Advanced Systems Private Limited	-	18.15
		Others	-	2.99
			-	**96.03**
		Step-down subsidiaries		
		J S Auto Cast Foundry India Private Limited	7.67	9.79
			7.67	**9.79**
		Other related parties		
		Kalyani Steels Limited	0.45	4.57
			0.45	**4.57**
			8.12	**110.39**
18	Managerial remuneration@@	**Key management personnel**		
		Mr. B. N. Kalyani$	468.59	389.17
		Mr. A. B. Kalyani	142.14	99.02
		Mr. S. E. Tandale	66.94	60.60
		Mr. B. P. Kalyani	60.32	54.79
		Mr. K. P. Dixit	20.77	17.29
		Ms. T. R. Chaudhari	5.89	5.07
			764.65	**625.94**
19	Dividend paid	**Key management personnel**		
		Mr. B. N. Kalyani	0.63	0.70
		Mr. A. B. Kalyani	5.60	6.30
		Mr. G. K. Agarwal	0.04	-
		Mr. B. P. Kalyani	0.05	0.06
		Mr. S. E. Tandale#	-	-
			6.32	**7.06**
		Relatives of key management personnel		
		Mr. G. N. Kalyani	5.52	6.21
		Ms. S. G. Kalyani	0.18	0.21
		Mrs. R. G. Kalyani	0.81	0.91
		Mr. V. G. Kalyani	0.18	0.21
		Others	0.14	0.10
			6.83	**7.64**

@@ Does not include provision for gratuity, leave encashment since the same is considered for all employees of the Company as a whole, but includes specific provision for pension and medical.
$ includes post-retirement benefits of ₹ 133.88 million (March 31, 2025: ₹ 132.14 million).
# Amounts disclosed as zero are below the million rounding off.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
19	Dividend paid (contd.)	**Other related paties**		
		KSL Holdings Private Limited	370.29	416.57
		Ajinkya Investment & Trading Company	119.85	134.84
		Sundaram Trading and Investment Private Limited	442.02	497.16
		Kalyani Investment Company Limited	506.50	569.81
		BF Investments Limited	124.92	140.53
		Rajgad Trading Company Private Limited	10.88	12.24
		Tangmarg Trading and Investment Private Limited	7.23	8.14
		Yusmarg Trading and Investment Private Limited	14.78	16.62
		Kalyani Consultants Private Limited	7.49	8.43
		Jannhavi Investment Private Limited	37.49	42.18
		Dronacharya Trading and Investment Private Limited	1.22	1.38
		Cornflower Investment & Finance Limited	4.27	4.81
		Dandkaranya Trading and Investment Private Limited	8.86	9.97
		Campanula Investment & Finance Limited	5.92	6.66
		Hastinapur Trading and Investment Private Limited	1.43	1.61
		Kalyani Export & Investment Pvt Ltd	8.03	9.03
		Aboli Investment Pvt Ltd	1.02	1.15
		Wathar Investment & Trading Co. Pvt Ltd	0.49	0.55
			1,672.69	**1,881.68**
			1,685.84	**1,896.38**
20	Provision for impairment in value of investment	**Subsidiaries**		
		Kalyani Powertrain Limited	4,992.50	1,456.63
		BF Elbit Advanced Systems Private Limited	-	10.10
			4,992.50	**1,466.73**
21	Provision for impairment in value of loan	**Subsidiaries**		
		BF Elbit Advanced Systems Private Limited	-	192.59
			-	**192.59**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2026	Year ended March 31, 2025
22	Contributions paid*	**Post-employment benefit Trusts**		
		Provident fund		
		Bharat Forge Company Limited Staff Provident Fund	369.98	345.68
			369.98	**345.68**
		Gratuity fund		
		Bharat Forge Company Limited Employees Group Gratuity fund	15.00	30.00
		Bharat Forge Company Limited Officers' Group Gratuity Fund	125.49	99.32
			140.49	**129.32**
		Superannuation fund		
		Bharat Forge Company Limited Officer's		
		Superannuation scheme	15.72	17.09
			15.72	**17.09**
			526.19	**492.09**
23	Guarantees Given/Renewed	**Subsidiaries**		
		Bharat Forge America Inc.		1,752.34
			-	**1,752.34**
		Step-down subsidiaries		
		Bharat Forge Aluminium USA, Inc	-	9,035.24
		Bharat Forge PMT Technologie LLC	901.08	-
			901.08	**9,035.24**
			901.08	**10,787.58**
24	Donations	**Other related parties**		
		Harmony Electoral Trust	-	220.00
			-	**220.00**

* For closing balances of the above employee benefits Trusts, **Refer Note no.37.**

(iii) Balance outstanding as at the year-end

In ₹ Million

Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2026	As at March 31, 2025
1	Trade payables	**Subsidiaries**		
		Bharat Forge Global Holding GmbH	24.93	22.43
		Bharat Forge International Limited	362.16	455.49
		Kalyani Centre For Precision Technology Limited	414.31	315.69
		Kalyani Strategic Systems Limited	28.74	25.50
		Bharat Forge America Inc.	46.44	13.46
		Others	-	11.45
			876.58	**844.02**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year-end (contd.)

In ₹ Million

Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2026	As at March 31, 2025
1	Trade payables (contd.)	**Step-down subsidiaries**		
		BF Industrial Technology & Solutions Limited	61.40	10.91
		Bharat Forge CDP GmbH	-	48.36
		Others	30.47	79.17
			91.87	**138.44**
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	1.01	1.43
		Avaada MHVidarbha Private Limited	13.66	15.62
		Edgelab S.p.A.	11.44	-
			26.11	**17.05**
		Other related parties		
		Kalyani Steels Limited*	925.24	1,184.75
		Saarloha Advanced Materials Private Limited**	2,400.11	2,353.70
		Kalyani Technoforge Limited	201.94	88.20
		Others	191.49	153.26
			3,718.78	**3,779.91**
			4,713.34	**4,779.42**
2	Trade receivables	**Subsidiaries**		
		Bharat Forge International Limited	18,399.39	21,308.90
		Kalyani Strategic Systems Limited	4,592.75	3,782.40
		K Drive Mobility Solutions Private Limited	89.53	-
		Others	465.24	17.43
			23,546.91	**25,108.73**
		Step-down subsidiaries		
		Tork Motors Private Limited	-	23.71
		Others	570.96	499.72
			570.96	**523.43**
		Other related parties		
		Automotive Axles Limited	98.90	83.30
		Saarloha Advanced Materials Private Limited	910.49	946.27
		Others	40.43	40.83
			1,049.82	**1,070.40**
			25,167.69	**26,702.56**

* Net of advance given amounting to ₹ 470.00 million (March 31, 2025: ₹ 470.00 million) **[Refer Note 22]**
** Net of advance given amounting to ₹ 250.00 million (March 31, 2025: ₹ 250.00 million) **[Refer Note 22]**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year-end (contd.)

In ₹ Million

Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2026	As at March 31, 2025
3	Payables for capital goods	**Other related parties**		
		Kalyani Cleantech Private Limited	-	0.49
			-	**0.49**
			-	**0.49**
4	Non-current investments (at carrying value)	**Subsidiaries**		
		Bharat Forge Global Holding GmbH	15,599.04	12,793.76
		Bharat Forge America Inc.	16,751.22	16,751.22
		BF Infrastructure Limited	152.59	1,641.55
		Kalyani Powertrain Limited	8,943.13	8,286.13
		BF Industrial Solutions Limited	5,509.79	5,219.79
		Kalyani Strategic Systems Limited	5,321.34	788.34
		Kalyani Centre for Precision Technology Limited	690.88	690.88
		K Drive Mobility Solutions Private Limited	7,474.16	-
		Others	308.54	318.64
			60,750.69	**46,490.31**
		Joint ventures		
		BF NTPC Energy Systems Limited	-	33.64
			-	**33.64**
		Associates		
		Avaada MHVidarbha Private Limited	113.75	113.75
			113.75	**113.75**
		Other related parties (including fair value)		
		Khed Economic Infrastructure Private Limited	1,116.98	1,070.92
			1,116.98	**1,070.92**
			61,981.42	**47,708.62**
5	Loans given	**Subsidiaries**		
		BF Elbit Advanced Systems Private Limited	210.66	192.59
			210.66	**192.59**
		Step-down subsidiaries		
		J S Auto Cast Foundry India Private Limited	**-**	**114.05**
			-	**114.05**
			210.66	**306.64**
6	Recoverable from subsidiaries (net of provision)	**Subsidiaries**		
		Bharat Forge International Limited	170.89	26.61
		Others	26.68	70.44
			197.57	**97.05**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year-end (contd.)

In ₹ Million

Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2026	As at March 31, 2025
6	Recoverable from subsidiaries (net of provision) (contd.)	**Step-down subsidiaries**		
		Bharat Forge Aluminiumtechnik Gmbh	83.10	-
		Bharat Forge CDP GmbH	0.42	-
		Bharat Forge PMT Technologie LLC	2.75	0.44
		Bharat Forge Kilsta AB	2.48	-
			88.75	**0.44**
			286.32	**97.49**
7	Security deposits given	**Other related parties**		
		BF Utilities Limited	200.00	200.00
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	89.40	89.40
		Others	35.50	39.73
			324.90	**329.13**
8	Advance to suppliers	**Other related parties**		
		Others	3.73	25.02
			3.73	**25.02**
9	Advance from customers	**Other related parties**		
		Automotive Axles Limited	2.50	-
			2.50	**-**
10	Capital advances	**Step-down subsidiaries**		
		Bharat Forge CDP GmbH	309.96	-
			309.96	**-**
		Other related parties		
		Khed Economic Infrastructure Private Limited	**-**	**998.50**
			-	**998.50**
			309.96	**998.50**
11	Managerial remuneration payable*	**Key management personnel**		
		Mr. B. N. Kalyani[$]	473.45	286.07
		Mr. A. B. Kalyani	70.00	47.50
		Mr. S. E. Tandale	21.50	19.00
		Mr. B. P. Kalyani	20.50	19.00
			585.45	**371.57**

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole.
$ includes post-retirement benefits of ₹ 353.45 million (March 31, 2025: ₹ 219.57 million).

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year-end (contd.)

In ₹ Million

Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2026	As at March 31, 2025
12	Commission to directors other than managing and whole time directors	**Other Directors and Relatives**		
		Mr. P. G. Pawar	-	4.00
		Mrs. L. D. Gupte	-	1.80
		Mr. P. H. Ravikumar	-	2.40
		Mr. V. R. Bhandari	-	3.80
		Mr. Dipak Mane	3.60	3.40
		Mr. Murali Sivaraman	-	1.00
		Mr. Kanwar Bir Singh Anand	5.20	4.00
		Mrs. Sonia Singh	3.80	3.60
		Mr. A. B. Ram	4.60	3.40
		Mr. Anand Pathak	2.60	1.80
		Mr. Ravi Kapoor	2.80	1.00
		Mrs. Rashmi Joshi	6.60	0.80
			29.20	**31.00**
13	Security deposits received	**Subsidiaries**		
		Kalyani Powertrain Limited	6.13	6.11
		BF Infrastructure Limited	0.06	-
			6.19	**6.11**
		Other related parties		
		Kalyani Maxion Wheels Private Limited	100.00	100.00
			100.00	**100.00**
		Key management personnel		
		Mr. B. P. Kalyani	2.30	-
			2.30	**-**
			108.49	**106.11**
14	Provision for impairment in value of investment	**Subsidiaries**		
		BF Infrastructure Limited	1,488.96	1,488.96
		Kalyani Powertrain Limited	6,453.13	1,456.63
		BF Elbit Advanced Systems Private Limited	10.10	10.10
			7,952.19	**2,955.69**
		Joint Ventures		
		BF NTPC Energy Systems Limited	33.64	33.64
			33.64	**33.64**
			7,985.83	**2,989.33**
15	Provision for impairment in value of loan	**Subsidiaries**		
		BF Elbit Advanced Systems Private Limited	210.66	192.59
			210.66	**192.59**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year-end (contd.)

In ₹ Million

Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2026	As at March 31, 2025
16	Guarantees given#	**Subsidiaries**		
		Bharat Forge America Inc.	-	1,752.34
			-	**1,752.34**
		Step-down subsidiaries		
		Bharat Forge Aluminium USA, Inc	9,485.00	9,890.04
		Bharat Forge PMT Technologie LLC	853.65	-
			10,338.65	**9,890.04**
			10,338.65	**11,642.38**

(1) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured with a short-term duration unless otherwise stated. For the year ended March 31, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties other than those disclosed separately above for the years ended March 31, 2026 and March 31, 2025. This assessment is undertaken for each financial year through examining the financial position of the related party and the market in which the related party operates.

(2) All transactions were made on normal commercial terms and conditions and are at market rates.

(3) For details of guarantees given to related parties, **Refer Note 40**.

The outstanding loan amount secured by existing guarantees for the current year is ₹ 10,338.65 million

40. CAPITAL AND OTHER COMMITMENTS

In ₹ Million

Particulars		As at March 31, 2026	As at March 31, 2025
(a)	Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances	5,685.58	2,906.05
(b)	Guarantees given by the Company on behalf of other companies **[(Refer Note 40(a)]**		
	Balance outstanding	10,338.65	6,838.40
	(Maximum amount)	(11,002.60)	(11,411.81)
(c)	For commitments relating to lease agreements, please **Refer Note 35**		

(a) (a) The Company has issued various financial guarantees/support letters for the working capital requirement of the subsidiary and step-down subsidiary companies. The management has considered the probability of outflow of the same to be remote.

The Company, for its newly set-up plant located at Mambattu, Nellore, Andhra Pradesh, for the manufacture of aluminium castings, had imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at a concessional duty, giving an undertaking to fulfil the quantified export. As at March 31, 2025, the export obligation aggregates to ₹ 697.18 million. This is to be satisfied over a period of 6 years (block years 1st to 4th year - 50%, and 5th to 6th year - 50%) from December 14, 2018, as specified. Period for which had been completed in the previous financial year and all outstanding obligations are paid in the current financial year.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

41. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the financial covenant requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a net debt-to-equity ratio, which is net debt divided by equity. The Company's policy is to keep the net debt-to-equity ratio below 1.00. The Company includes within its borrowings net debt and interest-bearing loans less cash and cash equivalents.

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	37,629.23	39,625.63
Less: Cash and other liquid assets	15,435.39	18,078.77
Net debt	22,193.84	21,546.86
Equity	109,882.35	109,642.62
Net debt/equity Ratio	0.20	0.20

42. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES/ASSOCIATES AND FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Bharat Forge Global Holding Gmbh		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	95.17
BF Elbit Advanced Systems Private Limited *		
Balance outstanding	210.66	192.59
Maximum amount outstanding during the year	210.66	192.59
Bharat Forge America Inc.		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	1,098.38
JS Auto Cast Foundry India Private Limited**		
Balance outstanding	-	114.05
Maximum amount outstanding during the year	116.25	116.27

* Receivable on demand.

** Receivable after 1 year from the date of disbursement of the loan. It can be repaid before maturity, based on mutual understanding.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

42. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES/ASSOCIATES AND FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED (CONTD.)

Loans and advances in the nature of loans granted to promoters, directors, key managerial personnel (KMP's) and other related parties either severally or jointly with any other person that are:

a) Repayable on demand or
b) without specifying any terms or period of repayment

In ₹ Million

Type of Borrower	31-Mar-26		31-Mar-25	
	Amount of loan or advances in the nature of loan outstanding	% of total loans and advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	% of total loans and advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	210.66	100.00%	192.59	62.81%

Note: There are no investments by the loanee in the shares of the Company when the respective company has made a loan or advance in the nature of a loan.

43. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Principal amount due to suppliers under the MSMED Act, 2006*	353.85	172.70
Interest accrued and due to suppliers under the MSMED Act, 2006 on the above amount	0.15	0.22
Payment made to suppliers (other than interest) beyond the appointed day, during the year	10.79	14.85
Interest paid to suppliers under the MSMED Act, 2006 (other than Section 16)	-	-
Interest paid to suppliers under the MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under the MSMED Act, 2006, for the payments already made	0.17	0.23
Interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act, 2006	6.10	5.95

* Amount includes due and unpaid of ₹ 2.27 million (March 31 2025: 2.19 million)

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

44. RELATIONSHIP WITH COMPANIES STRUCK OFF UNDER SECTION 248 OF THE COMPANIES ACT 2013 OR SECTION 560 OF THE COMPANIES ACT 1956.

In ₹ Million

Name of the struck-off company#	Transaction during the period	Balance outstanding	Nature of transaction	Relationship with the struck off company
March 31, 2026				
RBC Bearings Private Limited	0.02	-	Expense	Vendor*
Safe N Secure Fire Systems#	-	-	Expense	Vendor*
Mechkraft Engineering Private Limited	-	0.18	Expense	Vendor*
D J Share Trading Company Private Limited#	-	-	Dividend	Shareholder*
Dreams Broking Private Limited#	-	-	Dividend	Shareholder*
Satidham Industries Private Limited#	-	-	Dividend	Shareholder*
March 31, 2025				
RBC Bearings Private Limited	0.02	0.02	Expense	Vendor*
Mechkraft Engineering Private Limited	-	0.18	Expense	Vendor*
Unickon Fincap Private Limited	0.00	-	Dividend	Shareholder*
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder*
D J Share Trading Company Private Limited	0.00	-	Dividend	Shareholder*
Arihant Securities Limited	0.00	-	Dividend	Shareholder*

* These parties are not related parties as per the definition of 'related party' under section 2(76) of the Companies Act 2013.

\# Amounts disclosed as zero are below the million rounding off.

45. CORPORATE SOCICAL RESPONSIBILITY (CSR) EXPENDITURE

(a) Gross amount required to be spent by the Company during the year

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Gross amount required to be spent by the Company during the year	360.20	306.00

(b) An amount up to ₹ 360.20 million (March 31, 2025: ₹ 306.00 million) was approved by the board towards CSR activities.

(c) Amount spent during the year

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	298.91	244.78
	298.91	**244.78**

(d) For details of CSR expenditure incurred toward related parties, Refer Note 39.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

45. CORPORATE SOCICAL RESPONSIBILITY (CSR) EXPENDITURE (CONTD.)

(e) Details of ongoing projects and those other than ongoing projects

Details to be disclosed under Sec 135 (6) (Ongoing Projects)

In ₹ Million

Financial year	Opening Balance		Amount transferred to Separate Unspent A/c during the year	Amount Required to be spent during the year	Amount Spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c			From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2025-26	61.22	2.07	61.22	354.40	293.11	49.38	61.29	13.91
2024-25	36.83	4.44	36.83	280.00	218.78	39.20	61.22	2.07

In case of Sec 135 (5) (Other than Ongoing Projects)

In ₹ Million

Financial Year	Opening Balance	Amount Deposited in specified fund of Sch VII within 6 months	Amount required to be spent during the year	Amount spent during the year *	Closing Balance
2025-26	-	-	5.80	5.80	-
2024-25	-	-	26.00	26.00	-

* Includes administrative overheads of ₹ 4.62 Million (March 31, 2025: ₹ 6.00 million)

(f) Details of shortfall, cumulative shortfall and reasons for shortfall

During the year ended March 31, 2026, as against required expenditure of ₹ 360.20 million (March 31, 2025: ₹ 306.00 million), the Company has incurred expenditure of ₹ 298.91 million (March 31, 2025: ₹ 244.78 million) and an amount of ₹ 61.29 million (March 31, 2025: ₹ 61.22 million) remained unspent due to phase-wise implementation of CSR activities. The unspent amount for the year ended March 31, 2026, has been transferred to the unspent CSR account, and the same shall be utilised by the Company in the next year for CSR projects undertaken by the Company.

(g) Nature of activities

Ongoing projects

As part of ongoing projects for CSR, the Company has undertaken initiatives such as village development (water, internal roads, livelihood, health & education), environment sustenance (water harvesting, trees plantation, renewal of solar energy and waste management), skill development, rural development, education, community development & women empowerment, health initiatives (telemedicine setups, cancer screening camps, strengthening of primary health care centres), protection of art & culture and promotion of sports.

Other than ongoing projects

These include activities related to educational sponsorship.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

46. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT 2013

In ₹ Million

Name of the borrowing entity	Purpose	Rate of Interest (p.a.)	Year ended March 31, 2026	Year ended March 31, 2025
BF Elbit Advanced Systems Private Limited	Working Capital purpose*	10.00%	210.66	192.59
JS Auto Cast Foundry India Private Limited	Prepayment of existing term loan from banks##	8.50%	-	64.05
JS Auto Cast Foundry India Private Limited	General corporate purpose##	8.70%	-	50.00

* Was receivable on demand.

Was receivable after 3 years and interest payable 6 monthly from the date of disbursement of the loan.

- All loans are unsecured
- Details of investments and loans made are given in Notes 6, 7 and 8.

Guarantee given on behalf of

- Bharat Forge America Inc., wholly-owned subsidiary company and Bharat Forge Aluminium USA, Inc., step-down subsidiary company, amounting to ₹ 10,338.65 million (March 31, 2025: ₹ 11,642.38 million) for term loan or loans towards investment in step-down subsidiaries.

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSONS OR ENTITIES (ULTIMATE BENEFICIARIES)

For year ended March 31, 2026

Investments

The Company has made investments in the following subsidiaries for further investment in step-down subsidiaries of the Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	BF Industrial Solutions Limited	January 20, 2026	290.00	J S Auto Cast Foundry India Private Limited	January 20, 2026	290.00
2	Kalyani Powertrain Limited	May 07, 2025	18.56	Lycan Electric Private Limited	May, 2025	3.78
				Lycan Electric Private Limited	June, 2025	14.78
		July 01, 2025	9.33	Lycan Electric Private Limited	July, 2025	7.63
				Lycan Electric Private Limited	August, 2025	0.90
				Lycan Electric Private Limited	September, 2025	0.80
		July 24, 2025	18.00	Electroforge Limited	July, 2025	18.00
				Electroforge Limited	August, 2025	5.00
		August 18, 2025	9.80	Lycan Electric Private Limited	October, 2025	4.80
		November, 2025	9.16	Lycan Electric Private Limited	November, 2025	9.16

Notes to Standalone Financial Statements

for the year ended March 31, 2026

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSONS OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

For year ended March 31, 2025

Investments

The Company has made investments in the following subsidiaries for further investment in step-down subsidiaries of the Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	BF Industrial Solutions Limited	December 31, 2024	180.00	J S Auto Cast Foundry India Private Limited	December 31, 2024	180.00
2	Kalyani Powertrain Limited	June 07, 2024	14.64	Tork Motors Private Limited	May 30, 2024	1.49
				Tork Motors Private Limited	May 31, 2024	5.00
				Tork Motors Private Limited	June 01, 2024	6.91
				Tork Motors Private Limited	June 11, 2024	1.25
		July 01, 2024	5.00	Tork Motors Private Limited	July 01, 2024	5.00
		July 20, 2024	87.82	Tork Motors Private Limited	July 22, 2024	87.82
		August 09, 2024	399.99	Tork Motors Private Limited	August 09, 2024	399.99
		August 22, 2024	1,054.50	Refer Note below*	August 22, 2024	1,054.50
		December 26, 2024	69.00	REFU Drive GmbH	December 31, 2024	69.00
		January 07, 2025	4.00	Electro Forge Limited (Loan given)	January 08, 2025	4.00
3	Bharat Forge America Inc.	June 18, 2024	3,340.40	Bharat Forge Aluminium USA, Inc.	June 18, 2024	3,340.40
		December 23, 2024	3,832.65	Bharat Forge PMT Technologie LLC	December 23, 2024	1,277.55
				Bharat Forge Aluminium USA Inc	December 23, 2024	2,555.10
4	Bharat Forge Global Holding GmbH	December 24, 2024	3,430.74	Bharat Forge CDP GmbH	December 27, 2024	593.13
				Bharat Forge Aluminiumtechnik GmbH	December 27, 2024	2,802.17
				Bharat Forge Kilsta AB	December 27, 2024	35.44

* Amount paid to Bharat Forge Limited against consideration of transfer of shares of REFU Drive GmbH to Kalyani Powertrain Limited

Statement of compliance

With regard to the investments made, loans given and guarantees given during the year ended March 31, 2026, as well as March 31, 2025, the Company has complied with the relevant regulatory provisions.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSONS OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

Particulars of the intermediaries/beneficiaries/ultimate beneficiaries

1 **Bharat Forge America Inc.**
Registered office: 2150, Schmiede St, Surgoinsville, Tennessee 37873, USA
Relationship with the beneficiary: Wholly- owned Subsidiary

2 **Bharat Forge Aluminium USA, Inc.**
Registered office: 160, Mine Lake Court, Suite 200, Raleigh, North Carolina 27615, USA
Relationship with the beneficiary: Step-down Subsidiary

3 **Bharat Forge PMT Technologie, LLC**
Registered office: 2150, Schmiede St, Surgoinville, TN 37873, U.S.A.
Relationship with the beneficiary: Step-down Subsidiary

4 **Bharat Forge Global Holding GmbH**
Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany
Relationship with the beneficiary: Wholly-owned Subsidiary

5 **Bharat Forge CDP GmbH**
Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany
Relationship with the beneficiary: Step-down Subsidiary

6 **Bharat Forge Aluminiumtechnik GmbH**
Registered office: Berthelsodorfer StraBe 8, 09618 Brand-Erbisdorf, Germany
Relationship with the beneficiary: Step-down Subsidiary

7 **Bharat Forge Kilsta AB**
Registered office: Box 428 691 27 Karlskoga, Sweden
Relationship with the beneficiary: Step-down subsidiary

8 **Kalyani Powertrain Limited**
Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036
Relationship with the beneficiary: Wholly-owned subsidiary

9 **BF Industrial Solutions Limited**
Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036
Relationship with the beneficiary: Wholly-owned subsidiary

10 **REFU Drive GmbH**
Registered office: Markts.18572793 Pfullingen, Baden- Wurttemberg, Germany
Relationship with the beneficiary: Joint venture of a subsidiary

11 **Electro Forge Limited**
Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036
Relationship with the beneficiary: Step-down subsidiary

12 **JS Auto Cast Foundry India Private Limited**
Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam Na Coimbatore - 641107 Tamil Nadu - India
Relationship with the beneficiary: Step-down subsidiary

Notes to Standalone Financial Statements

for the year ended March 31, 2026

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSONS OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

13 Tork Motors Pvt Ltd, India

Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down subsidiary

14 Lycan Electric Private Limited

Registered office: Plot No. 425 Sector No.10, PCNTDA, Bhosari, Pune, Maharashtra 411026

Relationship with the beneficiary: Step-down Subsidiary

15 Bharat Forge Limited, India

Registered office: Mundhwa, Pune cantonment, Pune- 411036

The Company has not received any funds from any persons or entities, including foreign entities (Funding Party),with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.,

48. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosure of fair value measurement hierarchy for assets as at March 31, 2026:

In ₹ Million

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,116.98
Avaada SataraMH Private Limited	-	-	180.63
Avaada MHBuldhana Private Limited	-	-	26.03
Sunsure Solarpark Twenty Eight Private Limited	-	-	12.94
Quoted equity instruments			
Birlasoft Limited	203.85	-	-
KPIT Technologies Limited [Refer Note 48(b)]	389.10	-	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited [Refer Note 48(a)]	-	-	-
Derivative instruments at fair value through Profit and Loss			
Unquoted funds			
Investments in private equity fund	-	129.55	-
Investments in mutual funds	-	7,567.28	-
Quoted funds			
Investments in mutual funds	865.01	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	3,326.44	-
Cross-currency swap		1,226.98	

Notes to Standalone Financial Statements

for the year ended March 31, 2026

48. FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosure of fair value measurement hierarchy for assets as at March 31, 2025:

In ₹ Million

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,070.92
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited	-	-	23.76
Quoted equity instruments			
Birlasoft Limited	237.66	-	-
KPIT Technologies Limited [Refer Note 48(b)]	801.47	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	872.96	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited [Refer Note 48(a)]	-	-	-
Derivative instruments at fair value through Profit and Loss			
Fair value hedges	-	-	-
Derivatives not designated as hedge	-	16.63	-
Unquoted funds			
Investments in private equity fund	-	149.35	-
Investments in mutual funds	-	8,714.60	-
Quoted funds/bonds			
Investments in mutual funds	1,653.42	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	113.54	-
Financial liability at FVTPL			
Derivatives not designated as hedge	-	89.57	-

There have been no transfers between Level 1 and Level 2 during the years ended March 31, 2026 and March 31, 2025.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

48. FAIR VALUE HIERARCHY (CONTD.)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2026 and March 31, 2025 are as shown below

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Unquoted equity shares in Khed Economic Infrastructure Private Limited (KEIPL) **[Refer Note 7(b)]**	Cost method	Estimated realisation rates for developed land and land under development	March 31, 2026: ₹ 13.70 million to ₹ 14.70 million/acre (March 31, 2025: ₹ 11.50 million to ₹ 12.60 million/ acre)	5% increase/(decrease) in realisation rate would result in increase/(decrease) in fair value per share by ₹ 1.66 (March 31, 2025: ₹ 1.53)
Unquoted equity shares in Avaada SataraMH Private Limited (ASPL) **[Refer Note 7(b)]**	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in Avaada MHBuldhana Private Limited (AMPL) **[Refer Note 7(b)]**	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in Sunsure Solarpark Twenty Eight Private Limited (STEPL) **[Refer Note 7(b)]**	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable

(a) Gupta Energy Private Limited (GEPL)

The Company has an investment in the equity instrument of GEPL. The same is classified as at fair value through profit and loss. Over the years, GEPL has been making consistent losses. The management of the Company has attempted to obtain the latest information for valuation. However, such information is not available as GEPL has not filed financial statements with the Ministry of Corporate Affairs (MCA) since FY 2014-15. In view of the above, the management believes that the fair value of the investment is Nil as at April 1, 2015 and thereafter.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

48. FAIR VALUE HIERARCHY (CONTD.)

(b) KPIT Technologies Limited

The Company had invested in 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, has by its order approved the composite scheme of arrangement (Scheme) amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholders. Pursuant to the Scheme, the engineering business of KPIT Technologies Limited has been transferred to KPIT Engineering Limited.

Pursuant to the order, Birlasoft (India) Limited has merged with KPIT Technologies Limited and KPIT Technologies has been renamed as 'Birlasoft Limited'. KPIT Engineering Limited has been renamed as 'KPIT Technologies Limited'.

Pursuant to the Scheme, the Company had received 1 equity share of KPIT Technologies Ltd. of ₹ 10/- each for 1 equity share of Birlasoft Ltd. for ₹ 2/- each. The ratio of the cost of acquisition per share of Birlasoft Ltd. and KPIT Technologies Ltd. was 56.64% to 43.36%.

The investment in shares has been classified under level 1 of the fair value hierarchy as on March 31, 2026 and March 31, 2025.

49. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments as of March 31, 2026; other than those with carrying amounts that are reasonable approximations of fair values:

In ₹ Million

Particulars	Carrying value		Fair value	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments *	4,267.51	4,152.44	4,267.51	4,152.44
Trade receivables	117.98	118.03	117.98	118.03
Loans	37.67	58.54	37.67	58.54
Derivative instruments	-	289.02	-	289.02
Other non-current financial assets	1,527.60	1,452.31	1,527.60	1,452.31
Total financial assets	**5,950.76**	**6,070.34**	**5,950.76**	**6,070.34**
Borrowings	10,515.98	6,594.19	10,515.98	6,594.19
Lease Liabilities	2,756.28	2,951.44	2,756.28	2,951.44
Derivative instruments	1,582.36	67.45	1,582.36	67.45
Other non-current financial liabilities	30.02	54.04	30.02	54.04
Total financial liabilities	**14,884.64**	**9,667.12**	**14,884.64**	**9,667.12**

* Investments do not include investments in subsidiaries, joint ventures and associates that are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

The management assessed that the fair value of cash and cash equivalents, current trade receivables, derivative instruments, trade payables and other current financial assets and liabilities approximates their carrying amounts, largely due to the short-term maturities of these instruments.

Further, the management assessed that the fair value of security deposits, non-current trade receivables and other non-current receivables approximates their carrying amounts, largely due to discounting/expected credit loss at rates which are an approximation of current lending rates.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

49. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as the individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to reasonably possible changes in forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to reasonably possible changes in growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in Note 48. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

(iii) The fair values of the unquoted equity shares have been estimated using a cost method (KEIPL) as well as the current market value method (ASPL, AMPL and STEPL). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimates of fair value for these unquoted equity investments.

(iv) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques that employ market-observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying. All derivative contracts are fully cash-collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. As at March 31, 2026, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

(v) The Company's borrowings and loans are appearing in the books at fair value since they are interest-bearing; hence, discounting of the same is not required. The own non-performance risk as at March 31, 2026 and March 31, 2025 was assessed to be insignificant.

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

In ₹ Million

Particulars	Unquoted equity shares in Khed Economic Infrastructure Private Limited	Unquoted equity shares in Avaada SataraMH Private Limited	Unquoted equity shares in Sunsure Solarpark Twenty Eight Private Limited	Unquoted equity shares in Avaada MHBuldhana Private Limited
As at April 1, 2024	**1,060.94**	**166.38**	**12.94**	**23.76**
Remeasurement recognised in OCI	9.98	-	-	-
As at March 31, 2025	**1,070.92**	**166.38**	**12.94**	**23.76**
Remeasurement recognised in OCI	46.06	14.25	-	2.27
As at March 31, 2026	**1,116.98**	**180.63**	**12.94**	**26.03**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

50. HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in US dollars and euros. These forecast transactions are highly probable.

In the current year, cross-currency swap contracts being measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in Euro. These forecast transactions are highly probable.

During the current year, the company has converted one of its term loans issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 5.90%, but due to the cross-currency swap arrangement, the effective interest rate was fixed at 1.75% on the EURO equivalent.

During the previous year, the company had converted one of its term loan issues in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 7.96%, but due to the cross-currency swap arrangement, the effective interest rate was fixed at 3.58% on the EURO equivalent.

During the previous year, the Company had converted one of its Non-Convertible Debentures (NCD) issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 7.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.52% on the EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

In ₹ Million

Particulars	March 31, 2026		March 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	-	3,326.44	872.96	113.54
Cross currency swap	-	1,226.98	-	-

The terms of the foreign currency forward contracts match those of the expected highly probable forecast transactions and the terms of the cross-currency swap contracts match those of the underlying loan agreement. As a result, there is no hedge ineffectiveness requiring recognition through profit and loss. The amounts of outstanding forward contracts and cross-currency swaps are as follows:

In ₹ Million

Nature of instrument	Currency	Purpose	March 31, 2026		March 31, 2025	
			Foreign Currency in Million	In ₹ Million	Foreign Currency in Million	In ₹ Million
Forward Contracts	USD	Hedging of highly probable forecast sales	322.00	28,792.33	576.09	50,887.00
Forward Contracts	EUR	Hedging of highly probable forecast sales	87.58	8,854.83	165.00	16,324.43
Cross Currency Swap	EUR	Hedging of underlying loan agreement	71.74	6,600.00	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The cash flow hedges of the expected future sales and underlying loan during the year ended March 31, 2026 were assessed to be highly effective and a net unrealised (loss)/gain of ₹ (4,440.94) million (March 31, 2025: ₹ 748.93 million), with a deferred tax liability/(asset) of ₹ (1,117.74) million (March 31, 2025: ₹ 188.50 million) relating to the hedging instruments, is included in the OCI.

The amount removed from the OCI during the year and included in the carrying amount of the hedged item as an adjustment for the year ended March 31, 2026, as detailed in Note 33, totalling ₹ 509.69 million (gross of deferred tax) (March 31, 2025: ₹ 1,130.69 million). The amounts retained in OCI as on March 31, 2026, are expected to mature and affect the Statement of Profit and Loss for the year ended March 31, 2026.

Derivatives not designated as hedging instruments

During the previous year, the company had converted one of its term loan issues in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 7.96%, but due to the cross-currency swap arrangement, the effective interest rate was fixed at 3.58% on the EURO equivalent.

During the previous year, the Company had converted two of its Non-Convertible Debentures (NCD) issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 5.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 2.40% on the EURO equivalent. The interest rate for 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 7.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.52% on the EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

The impact of the derivative item on the balance sheet as at March 31, 2026 is as follows:

In ₹ Million

Borrowings	Nominal amount (In Million)	Line item in the balance sheet where the instrument is disclosed
Non-current borrowings	INR 3,000.00	Borrowings
Non-current borrowings	INR 1,000.00	Borrowings
Current borrowings	INR 750.00	Borrowings
Current borrowings	INR 600.00	Borrowings
Current borrowings	INR 625.00	Borrowings
Current borrowings	INR 625.00	Borrowings

Notes to Standalone Financial Statements

for the year ended March 31, 2026

51. RATIO ANALYSIS AND ITS ELEMENTS

In ₹ Million

	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Note reference for reasons for variance
(a)	Current ratio	Current Assets	Current Liabilities	1.52	1.58	-4%	
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.34	0.36	-6%	
(c)	Debt Service Coverage ratio	Earnings for debt service	Debt service	2.37	2.99	-21%	(1)
(d)	Return on Equity ratio (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	7.46%	13.54%	-45%	(2)
(e)	Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.09	2.50	-17%	
(f)	Trade Receivable Turnover Ratio	Net credit sales	Average Trade Receivable	2.11	2.37	-11%	
(g)	Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	3.94	4.45	-12%	
(h)	Net Capital Turnover Ratio	Net sales	Working capital	3.31	2.98	11%	
(i)	Net Profit ratio (%)	Net Profit	Net sales	9.75%	14.95%	-35%	(3)
(j)	Return on Capital Employed (%)	Earning before interest and taxes (EBIT)	Capital Employed	13.58%	14.76%	-8%	
(k)	Return on Investment (%)	Earning before interest and taxes (EBIT)	Average Shareholder's Equity	18.25%	22.75%	-20%	(4)

Notes for movement in ratios

1 The variance in the ratio is due to a decrease in earnings for debt service on account of lower total income.

2 The variance in the ratio is due to a decrease in net profit caused by exceptional items.

3 The variance in the ratio is due to a decrease in net profit caused by exceptional items.

4 The variance in the ratio is due to a decrease in earnings before interest and taxes on account of lower total income.

Definitions

a Total Debt = Current and non-Current portion of long-term borrowings + short-term borrowings

b Earning available for debt service = Profit for the year + Depreciation and Amortisation expenses + Finance Costs + Exceptional items + (Gain)/Loss on sale of Property, plant and equipment

c Debt Service = Interest & Lease Payments + Principal Repayments

d Average Inventory = (Opening Inventory + Closing inventory)/2

e Net Credit Sales = Gross credit sales - Sales return

f Average Trade Receivables = (Opening Trade Receivables + Closing Trade Receivables)/2

g Net Credit Purchases = Gross credit purchases - Purchase returns

h Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

i Net Sales = Total sales - Sales returns

j Working Capital = Current assets - Current liabilities

k EBIT = Profit before tax + Finance costs + Exceptional items

l Capital Employed = Tangible net worth + Total debt + Deferred tax

Notes to Standalone Financial Statements

for the year ended March 31, 2026

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to Note 35 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

2) Embedded derivatives

The Company has entered into certain hybrid contracts, i.e. where an embedded derivative is a component of a non-derivative host contract in the nature of a financial liability. The Company has exercised judgement to evaluate if the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host. Based on the evaluation, the Company has concluded that these economic characteristics and risks of the embedded derivatives are closely related to the economic characteristics and risks of the host and thus not separated from the host contract and not accounted for separately.

3) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) **Identifying contracts with customers**

The Company enters into a Master service agreement ('MSA') with its customers that defines the key terms of the contract. However, the rates and quantities to be supplied is are separately agreed through purchase orders. Management has exercised judgement to determine that the contract with customers for Ind AS 115 is an MSA and customer purchase orders identifying performance obligations and other associated terms.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

b) **Identifying performance obligation**

The Company enters into contracts with customers for the sale of goods and tooling income. The Company determined that both the goods and tooling income are capable of being distinct. The fact that the Company regularly sells these goods on a standalone basis indicates that the customer can benefit from them on an individual basis. The Company also determined that the promises to transfer these goods are distinct within the context of the contract. These goods are not inputs to a combined item in the contract. Hence, the tooling income and the sale of goods are separate performance obligations.

c) **Determination of the timing of satisfaction of performance obligation**

The Company concluded that the sale of goods and tooling income is to be recognised at a point in time because it does not meet the criteria for recognising revenue over a period of time. The Company has applied judgement in determining the point in time when the control of the goods and tooling income is transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices which are as follows:

(1) **Sale of goods**

The goods manufactured are "Build to print" as per the design specified by the customer for which the tools/ dies are approved before commercial production commences. Further, the dispatch of goods is made on the basis of purchase orders obtained from the customer, taking into account the just-in-time production model with the customer.

(2) **Tooling income**

Tools are manufactured as per the design specified by the customer, which is approved on the basis of the customer acceptance. Management has used judgement in the identification of the point in time when the tools are deemed to have been accepted by customers.

d) **Litigations**

The Company has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cash flows. The Company's legal team regularly analyses current information about these matters and assesses the requirement for a provision for probable losses, including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a lawsuit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions does not automatically indicate that a provision for a loss may be appropriate.

Considering the facts on hand and the current stage of certain ongoing litigations where it stands, the Company foresees a remote risk of any material claim arising from claims against the Company. Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Company.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available at the time the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

1) Estimating the incremental borrowing rate to measure lease liabilities

The Company cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term and with similar security for the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay'. It requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2) Impairment of non-financial assets (tangible and intangible)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

3) Warranty

Provision for assurance-type warranties predominantly covers risk arising from expected claims for damages on the products sold by the Company, based on the expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty-related costs is revised annually. The Company usually provides assurance-type warranty for a period of two years.

The Company also provides a warranty beyond fixing defects to ensure that the products are made available for a pre-defined period during the tenure of the warranty. These are classified as service-type warranties. Refer to the accounting policy on service-type warranty.

Service-type warranty

Apart from assurance-type warranties covered in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for a pre-defined period during the tenure of warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranties comprise two performance obligations because the product and service-type warranties are distinct within the context of the contract. Using the expected cost-plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

4) Defined benefit plans

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities in valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected inflation rates for India. Further details about defined benefit plans are given in Note 37.

5) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair values are measured using different valuation techniques, including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 48 and 49 for further disclosures.

6) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to the expected loss on account of loss in time value of money, which is calculated using the average cost of capital for relevant financial assets.

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc., based on management's best estimate.

7) Provision for inventories

Management reviews the inventory age listing on a periodic basis. This review involves a comparison of the carrying value of aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete slow-moving items and net realisable value. Management is satisfied that an adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities other than derivatives comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI and FVTPL investments and enters into derivative transactions.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Finance and Risk Management Committee (FRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The FRMC provides assurance that there are appropriate policies and procedures governing the Company's financial risk activities and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. Further, all derivative activities for risk management purposes are carried out by experienced members of the senior management who have the relevant expertise, appropriate skills and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised as follows.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate following changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments in mutual funds, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relates to the position as at March 31, 2026 and March 31, 2025.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and based on hedge designations in place at March 31, 2026 and compared to March 31, 2025. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2026 and March 31, 2025, including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates, other than 5.97% rated unsecured non-convertible debentures, 5.80% rated unsecured non-convertible debentures, 7.80% rated unsecured non-convertible debentures and 5.90% rupee term loan from the bank, which have a fixed interest rate.

The Company generally borrows in foreign currency, considering the natural hedge it has against its exports. Long-term and short-term foreign currency debt obligations carry floating interest rates.

The Company avails short-term debt in foreign currency up to a tenor of 9 months, in the nature of export financing for its working capital requirements. SOFR or EURIBOR for the said debt obligations is fixed for the entire tenor of the debt at the time of availing it.

During the current and earlier years, the Company has availed a Rupee term loan with a floating interest rate from a bank, which is linked to a 3-month T-bill.

The Company has the option to reset LIBOR/SOFR or EURIBOR either for 6 Months or 3 months for its long-term debt obligations. To manage its interest rate risk, the Company evaluates the expected benefit either from the LIBOR/SOFR or EURIBOR resetting options and accordingly decides. The Company also has an option for its long-term debt obligations to enter into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated with a reference to an agreed-upon notional principal amount.

As at March 31 2026, the Company's 78.29% of total long-term borrowings are covered under a floating interest rate (March 31 2025: 39.75%).

Notes to Standalone Financial Statements

for the year ended March 31, 2026

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Interest rate sensitivity

The Company's total interest cost for the year ended March 31, 2026, was ₹ 1,821.74 million (March 31, 2025: ₹ 2,498.14 million). The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant. The Company's profit before tax is affected through the impact on floating-rate long-term borrowings, as follows:

In ₹ Million

Particulars	Change in basis points	Effect on profit before tax and equity	
		March 31, 2026	March 31, 2025
USD	+/- 50	-	6.84
EUR	+/-50	-	-
INR	+/- 50	51.33	18.74

The assumed movement in basis points for the interest rate sensitivity analysis is based on the current market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its export revenue and long-term foreign currency borrowings.

The Company manages its foreign currency risk by hedging its forecasted sales up to 3 to 4 years to the extent of 25%-65% on a rolling basis and the Company keeps its long-term foreign currency borrowings unhedged, which will be a natural hedge against its unhedged exports. The Company may hedge its long-term borrowing near the repayment date to avoid rupee volatility in the short term.

The Company avails pre-shipment credit and export bill discounting facilities in INR to avail interest subvention benefits. The Company manages foreign currency risk by hedging the receivables against the said liability. The Company also manages foreign currency risk in relation to export receivable balances through forward exchange contracts.

The following analysis has been worked out based on the net exposures of the Company as of the date of the balance sheet, which could affect the Statement of Profit and Loss and other comprehensive income and equity. Further, the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in Note number 50.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2026.

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assets	20,131.68	7,275.78	1,038.40	-
Financial liabilities	(19,657.39)	(8,285.90)	(481.53)	(77.25)

10% appreciation/depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ (5.62) million for the year ended March 31, 2026.

The company has not considered net non-current foreign currency loan exposure, being naturally hedged against future unhedged export receivables.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2025

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assets	23,745.46	4,305.77	719.55	-
Financial liabilities	(24,558.48)	(6,419.14)	(404.01)	(11.88)

10% appreciation/depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ 262.28 million for the year ended March 31, 2025.

The company has not considered net non-current loan exposure in foreign currency, being naturally hedged against future unhedged export receivables.

The investments in subsidiaries, joint ventures and associates being strategic in nature, do not have any maturity or cash flows; hence, the same have not been considered for unhedged foreign currency exposure.

When a derivative is entered into for being a hedge, the Company negotiates the terms of those derivatives to match those of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point at which the cash flows of the transactions are forecast up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company discloses the fair value of the outstanding derivative in the financial statements. The impact on the Company's pre-tax equity due to changes in the fair values of the outstanding forward contracts is as follows:

In ₹ Million

Change in rate	Effect on OCI (in ₹ million)		Effect on net profit (in ₹ million)	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
USR/INR -1	322.00	576.09	-	-
EUR/INR -1	159.33	165.00	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of unhedged monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

In ₹ Million

Change in FC/INR rate	Effect on profit before tax and equity	
	March 31, 2026	March 31, 2025
USD 1	(6.15)	9.42
EUR 1	53.37	78.24

Notes to Standalone Financial Statements

for the year ended March 31, 2026

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require an on-going purchase of steel. Due to the significant volatility of the steel prices, the Company has agreed with its customers for the pass-through of increase/decrease in the steel prices There may be a lag effect in the case of such pass-through arrangements.

Commodity price sensitivity

The Company has back-to-back pass-through arrangements for volatility in raw material prices for most of customers. However, in a few cases there may be a lag effect in the case of such pass-through arrangements and it might affect the Company's profit and equity.

Equity price risk

The Company is exposed to price risk in equity investments and classified on the balance sheet as fair value through profit and loss and through other comprehensive income. To manage its price risk arising from investments in equity, the Company diversifies its portfolio. Diversification and investment in the portfolio are done in accordance with the limits set by the Board of Directors.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,466.13 million (March 31, 2025: ₹ 1,423.35 million). Sensitivity analysis of major investments has been provided in Note 48.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 592.95 million (March 31, 2025: ₹ 1,039.13 million). An increase/decrease of 10% on the NSE market index could have an impact of approximately ₹ 59.29 million (March 31, 2025: ₹ 103.91 million) on the OCI or equity attributable to the Company. These changes would not affect profit and loss.

Other price risks

The Company invests its surplus funds in mutual funds which are linked to debt markets. The Company is exposed to price risk in investments that are classified as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification and investments in the portfolio are done in accordance with the Company's investment policy approved by the Board of Directors. Accordingly, an increase/decrease in interest rates by 0.25% will have an impact of ₹ 21.08 million (March 31, 2025: ₹ 25.92 million).

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, other receivables and deposits, foreign exchange transactions and other financial instruments.

Trade receivable

Customer credit risk is managed by the Company's established policies, procedures and controls relating to customer credit risk management. Further, the Company's customers include marquee Original Equipment Manufacturers and Tier I companies, having long-standing relationships with the Company. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2026, receivables from the Company's top 5 customers accounted for approximately 65.96% (March 31, 2025: 73.52%) of all the receivables outstanding. The Company has used a practical expedient by

Notes to Standalone Financial Statements

for the year ended March 31, 2026

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

computing the expected credit loss allowance for trade receivables based on the provision matrix (Refer to the table below). Further, an impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data and subsequent expectations of receipts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Company does not hold collateral as security except in the case of a few customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Year ended	Particulars	Not yet due	Outstanding for the following periods from the due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2026	% of loss allowance	0.13%	0.60%	3.08%	21.75%	41.60%	100.14%	1.03%
March 31, 2025	% of loss allowance	0.11%	0.84%	7.30%	27.03%	84.87%	100.00%	1.01%

Other receivables, deposits with banks, mutual funds and loans given

Credit risk from balances with banks, financial institutions and mutual funds is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with approved Counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a regular basis and the said limits are revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2026 and March 31, 2025 is the carrying amounts as illustrated in the respective notes except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in Note 38 and Note 50, respectively.

Liquidity risk

Cash flow forecasting is performed by the Treasury function. Treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the compliance with internal cash management. The Company's treasury invests surplus cash in marketable securities as per the approved policy, choosing instruments with appropriate maturities or sufficient liquidity to provide headroom as determined by the above-mentioned forecasts. At the reporting date, the Company held mutual funds of ₹ 10,376.75 million (March 31, 2025: ₹ 12,207.33 million) and other liquid assets of ₹ 3,594.76 million (March 31, 2025: ₹ 3,591.84 million) that are expected to readily generate cash inflows for managing liquidity risk.

As per the Company's policy, there should not be a concentration of loan repayments in a particular financial year. In the case of such concentration of repayments, the Company evaluates the option of refinancing the entire or part of the repayments with an extended maturity. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of funding sources, and debt maturing within 12 months can be rolled over with existing lenders. The Company is also maintaining surplus funds with a short-term liquidity for future repayment of loans.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ million):

In ₹ Million

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2026				
Borrowings	27,128.97	10,515.98	-	**37,644.95**
Trade and other payables	13,686.83	-	-	**13,686.83**
Lease liabilities	196.32	943.05	1,813.23	**2,952.60**
Other financial liabilities	1,341.85	30.02	-	**1,371.87**
Total	**42,353.97**	**11,489.05**	**1,813.23**	**55,656.24**
March 31, 2025				
Borrowings	33,222.58	6,594.19	-	**39,816.77**
Trade and other payables	13,727.07	-	-	**13,727.07**
Lease liabilities	188.38	867.24	2,084.20	**3,139.82**
Other financial liabilities	1,040.79	54.04	-	**1,094.83**
Total	**48,178.82**	**7,515.47**	**2,084.20**	**57,778.49**

The management believes that the probability of any outflow on account of financial guarantees issued by the Company being called on is remote. Hence, the same has not been included in the above table. Further, as and when required, the Company also gives financial support letters to subsidiaries.

54. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, the MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation, has determined that it does not have any significant impact on its financial statements.

In August 2025, the MCA notified the following amendments to:

1) Ind AS 1, Presentation of Financial Statements, effective from April 1, 2025, introduces amendments concerning the classification of liabilities as current or non-current, including non-current liabilities subject to covenants. Specifically, regarding the classification of a liability as current, the amendment eliminates the previous requirement that the right to defer settlement must exist for at least 12 months after the reporting date. Instead, it mandates that such a right must be present and substantive as of the reporting date. Additionally, the amendment provides guidance on the classification of liabilities that are subject to covenants. The Company has determined that these amendments do not affect its existing criteria for classifying current and non-current liabilities.

2) Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, effective from April 1, 2025, have been amended to enhance transparency regarding supplier finance arrangements. The revision to Ind AS 7 mandates that entities disclose the existence of such arrangements, describe their nature, report the carrying amount of related liabilities, and provide information on the range of payment due dates. Concurrently, Ind AS 107 has been updated to recognise supplier finance arrangements as a potential source of liquidity risk concentration. The Company has reviewed these amendments and, based on its assessment, has concluded that they do not have a material impact on its financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

54. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

3) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. It has no impact on financial statements.

55. OTHER STATUTORY INFORMATION

a. There is no proceeding initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

b. The Company does not have any charge which is yet to be registered with the Registrar of Companies beyond the statutory period. With regard to satisfaction of charges, a few cases of the company are outstanding with the ROC due to technical reasons and the Company is in the process of obtaining no dues certificates from the lenders, which the Company will file with the Registrar of Companies for satisfaction of the related charges.

c. The Company has not traded or invested in Cryptocurrency or virtual currency during the financial year.

d. During the year ended March 31, 2026, the Company was not a party to any approved scheme which needs approval from the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

56. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account,using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly the Company has used accounting software for maintaining its books of account which have a feature for recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. However, the audit trail functionality is not enabled at the database level and also in the case of a few fields in SAP at the application layer.

The company is in the process of evaluating the feasibility of extending the audit trail facility in such fields in SAP as well as at the database layer of accounting software used for maintaining the books of account. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for records retention.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Independent Auditor's Report

To the Members of Bharat Forge Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Bharat Forge Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/financial information of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2026, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements/information of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Revenue from sale of goods
See Note 2.3F and Note 24 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of goods. The Group manufactures specialised forged, machined and defense related products as per specifications provided by its customers. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Group and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognised before the control has been transferred.	In view of the significance of the matter we and other auditors applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: • We and other auditors assessed the appropriateness of Group's accounting policies for revenue recognition by comparing with applicable accounting standards. • We and other auditors evaluated the design, implementation and operating effectiveness (wherever applicable) of key internal controls over recognition of revenue. • We applied data enabled audit techniques to analyse the population of certain revenue transactions to identify unusual trends and outliers. • To assess the reliability of information used in the data enabled audit techniques, we evaluated the accuracy of key data fields by testing selected underlying source documents and matching them to accounting records on a sample basis. • On a sample basis, we and other auditors tested certain revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred. • We and other auditors tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred. • We and other auditors scrutinised journal entries and used data analytics procedures to identify manual journals posted to revenue accounts, focusing on unusual combinations of users and account pairings amongst others.

Independent Auditor's Report (Contd.)

Assessment of impairment of Property, Plant and Equipment (PPE) and Intangible Assets (IA) in relation to Cash Generating Units (CGU) at certain subsidiaries
See Note 2.3P, Note 3 and Note 5 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The respective companies in the Group periodically assess if there are any impairment indicators for recognising impairment loss in respect of the CGUs. As at 31 March 2026, certain subsidiaries in India, Germany, USA and Sweden identified indicators for impairment. The impairment assessment of the CGUs of such subsidiaries involves significant judgements and estimates including future business projections, discount rates and other assumptions. Accordingly, this matter has been identified as a key audit matter.	The audit procedures performed by us and the respective auditors of those subsidiaries included the following: • Obtained understanding of the respective subsidiary's process for assessing the indicators of impairment of the CGU and the process followed for estimation of the recoverable value. • Evaluated the design, implementation and operating effectiveness (wherever applicable) of key internal controls over impairment assessment of CGU. • Assessed the methodology used by the subsidiary to estimate the recoverable value of the relevant CGU. • Evaluated the assumptions around key drivers of the cash flow forecasts including discount rates, expected growth rates, terminal growth rates and margins. • Performed sensitivity analysis of key assumptions used to determine which assumptions could change the outcome of impairment assessment. • Performed retrospective analysis of respective management's cash flow projections for assessing reasonability of forecasts. • Involved specialists to assist in evaluating the impairment model, assumptions and estimates, where applicable.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Independent Auditor's Report (Contd.)

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

Independent Auditor's Report (Contd.)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a. We did not audit the financial statements/information of 17 subsidiaries, whose financial statements/information reflects total assets (before consolidation adjustments) of ₹ 58,329 million as at 31 March 2026, total revenue (before consolidation adjustments) of ₹ 50,019 million and net cash inflows (net) (before consolidation adjustments) amounting to ₹ 1,644 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Independent Auditor's Report (Contd.)

b. The financial information of 10 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 5,448 million as at 31 March 2026, total revenue (before consolidation adjustments) of ₹ 926 million and total net cash inflows (net) (before consolidation adjustments) amounting to ₹ 883 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive loss) (net) of ₹ 95 million for the year ended 31 March 2026, as considered in the consolidated financial statements, in respect of four associates and three joint ventures, whose financial information has not been audited by us or by other auditors. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 1 April 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act except for two directors pertaining to one subsidiary company for which in the absence of written representations, the other auditor is unable to comment upon.

Independent Auditor's Report (Contd.)

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 19 (a) to the consolidated financial statements in respect of such items as it relates to the Group.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company, except for delay in depositing ₹ 0.13 million for more than 13 years which is unpaid as at 31 March 2026; or its subsidiary companies incorporated in India during the year ended 31 March 2026.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 54.1 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 54.2 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

Independent Auditor's Report (Contd.)

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 17 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

- In respect of Holding Company and its seven subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.
- In respect of Holding Company and two subsidiaries, the feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
- In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level for the period 1 April 2025 to 4 November 2025.
- In respect of the aforesaid one subsidiary, the feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory for the period 5 November 2025 to 31 March 2026.
- In respect of three subsidiaries, the feature of recording audit trail (edit log) facility was not enabled for certain tables at the application level of the accounting software used for maintaining the books of accounts.
- In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to financial reporting process, purchase to payables and revenue to receivables throughout the year.
- In respect of Holding Company and two subsidiaries, the payroll accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, we and other auditor are unable to comment on audit trail feature of the said software.
- In respect of one subsidiary, the accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, the other auditor is unable to comment on audit trail feature of the said software.
- In respect of one subsidiary, the inventory management software does not have the feature of recording audit trail (edit log) facility. Consequently, the other auditor is unable to comment on audit trail feature of the said software.

Independent Auditor's Report (Contd.)

- In respect of Holding Company, in the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation for the accounting software used for consolidation, we are unable to comment whether audit trail feature at the database level for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.
- In respect of one subsidiary, in the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation for the accounting software used for payroll, the other auditor is unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.
- In respect of two subsidiaries, the companies have used the accounting softwares for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility. The accounting softwares did not have the audit trail features enabled throughout the year. The subsidiary companies are in the process of establishing necessary controls and documentation regarding audit trail. Consequently, the other auditor is unable to comment on audit trail features of the said softwares.

Further, during the course of our audit, we and respective auditors of such subsidiary companies did not come across any instance of audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the Holding Company and subsidiary companies as per the statutory requirements for records retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid/payable during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN:26103334ITGFQH8025

Place: Pune
Date: 07 May 2026

Independent Auditor's Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED 31 MARCH 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Bharat Forge Limited	L25209PN1961PLC012046	Holding Company	i (c) iii (c) iii (e) iii (f) vii (a)
2	Kalyani Powertrain Limited	U29308PN2020PLC194429	Subsidiary	iii (c) iii (d) xvii
3	Kalyani Strategic Systems Limited	U31902PN2010PLC138025	Subsidiary	iii (c) iii (f)
4	Ferrovia Transrail Solutions Private Limited	U45300DL2012PTC239645	Subsidiary	xvii
5	Electroforge Limited	U31909PN2022PLC213390	Subsidiary	xvii
6	BF Elbit Advanced Systems Private Limited	U29270PN2012PTC144268	Subsidiary	xvii xix
7	BF Infrastructure Limited	U45203PN2010PLC136755	Subsidiary	iii (f) xvii
8	Sagar Manas Technologies Limited	U29100PN2022PLC209117	Subsidiary	xvii
9	Agneyastra Energetics Limited	U20292PN2025PLC243609	Subsidiary	i (c) xvii
10	Kalyani Lightweighting Technology Solutions Limited	U29299PN2022PLC213002	Subsidiary	xvii
11	Kalyani Rafael Advanced Systems Private Limited	U29270PN2015PTC156252	Subsidiary	ii (b)

Independent Auditor's Report (Contd.)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Subsidiary/JV/ Associate
Eternus Performance Materials Private Limited	U74900PN2012PTC144091	Subsidiary
Zorya Mashproekt India Private Limited,	U34300DL2022PTC403135	Subsidiary
Tork Motors Private Limited	U34104PN2010PTC135855	Subsidiary
Lycan Electric Private Limited	U50200PN2015PTC156029	Subsidiary
Aeron Systems Private Limited	U72200PN2008PTC133026	Associate
Avaada MHVidarbha Private Limited	U40106UP2021PTC144594	Associate
BF-NTPC Energy Systems Limited	U40106DL2008PLC179793	Joint Venture
Refu Drive India Private Limited	U31909PN2019PTC185291	Joint Venture

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN:26103334ITGFQH8025

Place: Pune
Date: 07 May 2026

Independent Auditor's Report (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Bharat Forge Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Independent Auditor's Report (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 14 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial information insofar as it relates to four subsidiary companies, two associate companies and two joint venture companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies, associate companies and joint venture companies are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN:26103334ITGFQH8025

Place: Pune
Date: 07 May 2026

Consolidated Balance Sheet

as at March 31, 2026

In ₹ Million

		Notes	As at March 31, 2026	As at March 31, 2025
ASSETS				
I.	**Non-current assets**			
(a)	Property, plant and equipment	3	72,575.52	58,473.77
(b)	Capital work-in-progress	3	12,513.26	17,253.49
(c)	Investment property	4	281.63	281.63
(d)	Goodwill	5	3,902.53	2,627.83
(e)	Other intangible assets	5	605.97	413.00
(f)	Intangible assets under development	5	470.45	63.70
(g)	Right-of-use asset	43	4,784.26	4,472.93
(h)	Investments accounted for using the equity method	6	614.14	905.08
(i)	Financial assets			
	(i) Investments	7	5,031.65	6,192.36
	(ii) Trade receivables	12	168.68	135.48
	(iii) Loans	8	37.67	58.54
	(iv) Derivative instruments	9	-	289.02
	(v) Other financial assets	10	3,040.67	1,616.22
(j)	Deferred tax assets (net)	21	2,121.99	1,901.43
(k)	Income tax assets (net)		505.35	408.37
(l)	Other non-current assets	14	3,917.22	3,466.92
			110,570.99	**98,559.77**
II.	**Current assets**			
(a)	Inventories	11	40,527.83	35,784.36
(b)	Financial assets			
	(i) Investments	7	11,739.22	13,529.59
	(ii) Trade receivables	12	39,097.99	28,996.06
	(iii) Cash and cash equivalents	13	8,478.85	6,210.35
	(iv) Other bank balances	13	1,420.57	6,703.41
	(v) Loans	8	176.32	166.14
	(vi) Derivative instruments	9	-	600.57
	(vii) Other financial assets	10	3,780.92	1,036.38
(c)	Other current assets	14	6,806.86	9,296.58
			112,028.56	**102,323.44**
	Total assets		**222,599.55**	**200,883.21**
EQUITY AND LIABILITIES				
	EQUITY			
(a)	Equity share capital	15	956.27	956.27
(b)	Other equity	16	94,842.13	91,577.07
	Equity attributable to owners of the parent company		**95,798.40**	**92,533.34**
	Non-controlling interests	37	(230.16)	(327.53)
	Total equity		**95,568.24**	**92,205.81**
	LIABILITIES			
I.	**Non-current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	18	18,123.55	13,193.66
	(ii) Lease liabilities	43	3,699.19	3,623.98
	(iii) Derivative instruments	19a	1,582.36	67.45
	(iv) Other financial liabilities	19	3,357.24	195.38
(b)	Provisions	20	2,906.62	2,192.25
(c)	Deferred tax liabilities (net)	21	215.24	1,198.28
(d)	Other non-current liabilities	23	1,332.71	1,176.32
			31,216.91	**21,647.32**
II.	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	18	50,622.63	49,690.21
	(ii) Lease liabilities	43	640.78	474.74
	(iii) Trade payables	22		
	Dues to micro enterprises and small enterprises		839.98	770.13
	Dues to other than micro enterprises and small enterprises		29,116.63	22,671.99
	(iv) Derivative instruments	19a	3,102.11	137.57
	(v) Other financial liabilities	19	2,124.13	1,654.03
(b)	Other current liabilities	23	6,871.51	9,289.48
(c)	Provisions	20	2,103.47	1,945.86
(d)	Current tax liabilities (net)		393.16	396.07
			95,814.40	**87,030.08**
	Total liabilities		**127,031.31**	**108,677.40**
	Total equity and liabilities		**222,599.55**	**200,883.21**

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

In ₹ Million

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	24	168,116.53	151,228.03
Other income	25	1,986.83	2,137.64
Total income [i]		**170,103.36**	**153,365.67**
EXPENSES			
Cost of raw materials and components consumed	26	77,779.31	64,396.23
Purchase of stock in trade		788.71	2,318.22
(Increase) in inventories of finished goods, work-in-progress, stock in trade, dies and scrap	27	(2,672.21)	(771.05)
Employee benefits expenses	28	21,034.18	18,698.95
Finance costs	29	3,233.46	4,174.93
Depreciation and amortisation expenses	30	9,709.24	8,736.19
Other expenses	31	41,919.81	39,646.23
Total expenses [ii]		**151,792.50**	**137,199.70**
Profit before share of profit/(loss) of associates and joint ventures, exceptional items and tax [i-ii]		**18,310.86**	**16,165.97**
Share of profit/(loss) of associates and joint ventures		(76.50)	(24.52)
Income tax expense		18.21	12.55
Share of profit/(loss) of associates and joint ventures, net of tax		**(94.71)**	**(37.07)**
Profit before exceptional items and tax		**18,216.15**	**16,128.90**
Exceptional items (loss)	32	(1,544.43)	(1,570.65)
Profit before tax		**16,671.72**	**14,558.25**
Income tax expense	21		
Current tax		5,606.07	5,848.54
Deferred tax charge/(credit)		171.67	(423.04)
		5,777.74	**5,425.50**
Profit for the year		**10,893.98**	**9,132.75**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) not to be reclassified to profit and loss in subsequent periods (net of tax)			
- Re-measurement gain/(loss) on defined benefit plans	33	237.27	(185.37)
- Net (loss)on FVTOCI equity investments	33	(1,869.02)	(51.09)
- Share of other comprehensive (loss) of associates and joint ventures	33	-	(0.61)
		(1,631.75)	**(237.07)**
Income tax effect	33	(11.73)	41.24
	[A]	**(1,643.48)**	**(195.83)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026 (Contd.)

In ₹ Million

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Other comprehensive income/(loss) to be reclassified to profit and loss in subsequent periods (net of tax)			
- Net movement on cash flow hedges	33	(5,312.67)	(1,060.36)
- Exchange differences on translating financial statements of foreign operations	33	2,205.34	432.60
		(3,107.33)	**(627.76)**
Income tax effect	33	1,338.69	267.78
[B]		**(1,768.64)**	**(359.98)**
Other comprehensive (loss) for the year (net of tax) [A+B]		**(3,412.12)**	**(555.81)**
Total comprehensive income for the year		**7,481.86**	**8,576.94**
Of the total comprehensive income above,			
Attributable to:			
Owners of the parent company		7,384.49	8,855.72
Non-controlling interests		97.37	(278.78)
Of the total comprehensive income above,			
Profit for the year			
Attributable to:			
Owners of the parent company		10,796.61	9,411.53
Non-controlling interests		97.37	(278.78)
Of the total comprehensive income above,			
Other comprehensive (loss) for the year			
Attributable to:			
Equityholders of the parent company		(3,412.12)	(555.81)
Non-controlling interests		0.00	-
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2025: ₹ 2/-)	34		
Basic (in ₹)		22.58	20.05
Diluted (in ₹)		22.58	20.05

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 2/- each issued, subscribed and fully paid

Particulars	No.	In ₹ Million
As at March 31, 2026	**478,088,632**	
Changes in equity share capital during the year	-	
As at March 31, 2025	478,088,632	
Changes in equity share capital during the year	12,500,000	
As at April 1, 2024	**465,588,632**	

(1) For the year ended March 31, 2026

		In ₹ Million
Balance as on April 1, 2025	**Changes in equity share capital during the year**	**Balance as on March 31, 2026**
956.27	**-**	**956.27**

(2) For the year ended March 31, 2025

		In ₹ Million
Balance as on April 1, 2024	**Changes in equity share capital during the current year**	**Balance as on March 31, 2025**
931.27	**25.00**	**956.27**

B. OTHER EQUITY

In ₹ Million

Particulars	Attributable to the owners of the parent									Non-controlling interests	Total
	Reserves and Surplus (Refer note 16)				Items of OCI (Refer note 16)				Total attributable to the owners of the Company		
	Securities premium	Capital reserves	Employee stock option outstanding	General reserve	Retained Earnings	Foreign currency translation reserve (FCTR)	Equity instruments through other comprehensive income	Non-controlling interest reserve	Cash flow hedge reserve		
Balance as at April 1, 2025	**23,103.22**	**15.50**	**127.36**	**3,230.48**	**61,811.48**	**2,007.93**	**870.02**	**(148.19)**	**559.27**	**(327.53)**	**91,249.54**
- Profit/(Loss) for the year	-	-	-	-	10,796.61	-	-	-	-	97.37	10,893.98
- Other Comprehensive Income/ (Loss)	-	-	-	-	170.69	2,205.34	(1,814.17)	-	(3,973.98)	0.00	(3,412.12)
- Change in fair value of gross liability on written put options	-	-	-	-	(294.72)	-	-	-	-	-	(294.72)
	-	**-**	**-**	**-**	**10,672.58**	**2,205.34**	**(1,814.17)**	**-**	**(3,973.98)**	**7,089.77**	**97.37**	**7,187.14**
Transaction with owners in their capacity as owners											
- Final equity dividend	-	-	-	-	(2,868.53)	-	-	-	-	(2,868.53)	-
- Interim equity dividend	-	-	-	-	(956.18)	-	-	-	-	(956.18)	-
Balance as at March 31, 2026	**23,103.22**	**15.50**	**127.36**	**3,230.48**	**68,659.35**	**4,213.27**	**(944.15)**	**(148.19)**	**(3,414.71)**	**94,842.13**	**(230.16)**	**94,611.97**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026 (Contd.)

B. OTHER EQUITY (CONTD.)

In ₹ Million

Particulars	Attributable to the owners of the parent									Non-controlling interests	Total
	Reserves and Surplus (Refer note 16)			Items of OCI (Refer note 16)				Total attributable to the owners of the Company			
	Securities premium	Capital reserves	Employee stock option outstanding	General reserve	Retained Earnings	Foreign currency translation reserve (FCTR)	Equity instruments through other comprehensive income	Non-controlling interest reserve	Cash flow hedge reserve		
Balance as at April 1, 2024	**6,930.89**	**15.50**	**127.36**	**3,230.48**	**56,757.59**	**1,575.33**	**929.76**	**(148.19)**	**1,351.85**	**70,770.57**	**(48.75)**	**70,721.82**
- Profit/(Loss) for the year	-	-	-	-	9,411.53	-	-	-	-	9,411.53	(278.78)	9,132.75
- Other Comprehensive Income/(Loss)	-	-	-	-	(136.09)	432.60	(59.74)	-	(792.58)	(555.81)	-	(555.81)
- Premium on allotment of equity shares	16,475.00	-	-	-	-	-	-	-	-	16,475.00	-	16,475.00
- Expenses on allotment of equity shares	(302.67)	-	-	-	-	-	-	-	-	(302.67)	-	(302.67)
	16,172.33	**-**	**-**	**-**	**9,275.44**	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners												
- Final equity dividend	-	-	-	-	(3,026.33)	-	-	-	-	(3,026.33)	-	(3,026.33)
- Interim equity dividend	-	-	-	-	(1,195.22)	-	-	-	-	(1,195.22)	-	(1,195.22)
Balance as at March 31, 2025	**23,103.22**	**15.50**	**127.36**	**3,230.48**	**61,811.48**	**2,007.93**	**870.02**	**(148.19)**	**559.27**	**91,577.07**	**(327.53)**	**91,249.54**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Kedar Dixit
Senior Vice President and CFO

Place: Pune
Date: May 07, 2026

Consolidated Cash Flow Statement

for the year ended March 31, 2026

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
OPERATING ACTIVITIES		
Profit after exceptional items & before tax	**16,671.72**	**14,558.25**
(Less): Share of (loss) of associates and joint ventures (net of tax)	**(94.71)**	**(37.07)**
	16,766.43	**14,595.32**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	9,709.24	8,736.19
Unrealised foreign exchange (gain)/loss MTM (net)	635.77	(363.50)
Interest income	(633.42)	(691.49)
Liabilities/provision no longer required written back	(94.82)	(59.44)
Provision for doubtful debts and advances written back	125.94	68.52
Bad debts/advances written off	17.18	79.91
Finance costs	3,233.46	4,174.93
(Gain)/loss on sale of property, plant and equipment (net)	(185.34)	14.87
Dividend income from equity securities	(9.04)	(8.34)
Net (gain) on sale of financial instruments	(595.05)	(1,415.32)
Net loss on fair valuation of financial instruments (FVTPL)	174.64	768.55
Non-cash exceptional items	404.99	1,570.65
Operating profit before working capital changes	**29,549.98**	**27,470.85**
Working capital adjustments		
(Increase)/Decrease in trade receivables	(7,090.42)	2,510.11
(Increase) in inventories	(3,878.56)	(3,837.66)
(Increase)/decrease in other financial assets	(2,724.71)	57.40
Decrease/(Increase) in other assets	1,566.07	(2,279.99)
Increase in provisions	923.11	614.19
Increase in trade payables	4,419.60	910.48
Increase in other financial liabilities	62.18	153.00
(Decrease) in other liabilities	(2,314.58)	(1,584.88)
Cash generated from operations	**20,512.67**	**24,013.50**
Income taxes paid (net of refunds)	(5,646.25)	(6,050.07)
Net cash flows from operating activities (I)	**14,866.42**	**17,963.43**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment property and intangible assets (including capital work-in-progress, capital creditors and capital advances)	(11,404.96)	(14,504.59)
Proceeds from sale of property, plant and equipment and intangible assets	274.32	65.40
Investments in joint venture/associates	-	(303.49)
Acquisition of a subsidiary (net of cash of ₹ 1,933.28 million)	(4,986.23)	-
Repayment of loan given to joint venture/associates	-	42.47
Investments in mutual funds, fixed deposits and other deposits	(125,407.36)	(142,382.36)
Proceeds from sale of financial instruments including fixed deposits	130,905.57	136,896.77
Interest received	279.32	534.13
Dividend received	9.04	8.34
Net cash flows (used in) investing activities (II)	**(10,330.30)**	**(19,643.33)**

Consolidated Cash Flow Statement

for the year ended March 31, 2026 (contd.)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
FINANCING ACTIVITIES		
Dividend paid on equity shares	(3,796.55)	(4,220.93)
Proceeds from issue of compulsorily convertible preference shares by the subsidiary company	3,000.00	-
Interest paid on lease liabilities	(341.87)	(330.76)
Interest paid on borrowing and other liabilities	(3,410.41)	(4,398.40)
Proceeds from Issuance of Equity share capital under Qualified Institutional Placement (QIP)	-	16,500.00
Transaction cost related to Qualified Institutional Placement (QIP)	-	(302.67)
Payment of principal portion of lease liabilities	(654.56)	(515.71)
Proceeds from borrowings including bill discounting	142,833.45	88,513.79
Repayment of borrowings including bill discounting	(142,049.91)	(100,942.28)
Net cash flows (used in) financing activities (III)	**(4,419.85)**	**(5,696.96)**
Net increase/(decrease) in cash and cash equivalents (I + II + III)	**116.27**	**(7,376.86)**
Net foreign exchange difference	**(53.11)**	**1.51**
Cash and cash equivalents at the beginning of the year*	**6,210.35**	**13,153.10**
Cash and cash equivalents at the end of the year*	**6,273.51**	**5,777.75**
Foreign currency translation reserve movement	**2,205.34**	**432.60**
Cash and cash equivalents at the end of the year*	**8,478.85**	**6,210.35**

* Excluding earmarked balances

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
BANK BALANCES		
In cash credit and current accounts	8,182.10	5,204.60
Deposits with original maturity of less than three months	294.32	1,003.06
CASH ON HAND	2.43	2.69
Total	**8,478.85**	**6,210.35**

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

1. CORPORATE INFORMATION

The consolidated financial statements comprise the financial statements of Bharat Forge Limited ("the Holding Company") and its subsidiaries (collectively, the Group) and the Group's interest in associates and Joint Ventures. Bharat Forge Limited ("the Company") is a public Company domiciled in India. Its shares are listed on two stock exchanges in India. The Group is engaged in the manufacturing, assembling and selling of forged and machined components, including aluminium castings for the auto and industrial sectors and also in the manufacturing and assembly of electric vehicle-related components. The Group also assembles products for the defence industry. The Group caters to both domestic and international markets. The registered office of the Company is located at Mundhwa, Pune. The Holding Company's CIN is L25209PN1961PLC012046. The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 08, 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements ('CFS') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the CFS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer to accounting policy regarding financial instruments).
- In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair value attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns
- The ability to use its power over the investee to affect its returns

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.2 Basis of consolidation (contd.)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, the income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements on the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in a deficit balance for the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.2 Basis of consolidation (contd.)

- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to the statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

When the proportion of the equity held by non-controlling interest changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly recognised in equity and attributed to the owners of the parent.

2.3 Summary of material accounting policies

A. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred on acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist on the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as on the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the statement of

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

A. Business combinations and goodwill (contd.)

profit and loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates. Subsequently, its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of the net assets assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised on the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing it through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed on the acquisition date that, if known, would have affected the amounts recognised on that date. These adjustments are called measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the investee's financial and operating policy decisions, but no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties with joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

B. Investment in associates and joint ventures (contd.)

arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group recognises the share of profit/(loss) of associates and joint ventures in the statement of profit and loss and calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Exceptional items' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

C. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified 12 months as its operating cycle.

D. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent's functional currency. For each entity, the Group determines the functional currency and the items included in the financial statements of the entity are measured using that functional currency.

Transactions and Balance

Transactions in foreign currencies are initially recorded by the Group in its functional currency spot rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot exchange rate on the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

D. Foreign currencies (contd.)

or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss, are also recognised in OCI or the statement of profit and loss, respectively).

Exchange Differences

The Group had availed the option available under Ind AS 101 para D13 AA and is continuing the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the year ending March 31, 2016. Hence, such exchange differences are accounted for as follows:

a) Exchange differences arising on long-term foreign currency monetary items related to the acquisition of property, plant and equipment are capitalised and depreciated over the remaining useful life of the asset.

b) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the FCMITDA through Other Comprehensive Income (OCI). The amortisation of the balance FCMITDA is transferred to the statement of profit and loss over the remaining life of the respective monetary item.

c) All other exchange differences are recognised as income or as expenses in the period in which they arise.

For (a) and (b) above, the Group treats a foreign monetary item as a "long-term foreign currency monetary item" if it has a term of 12 months or more on the date of its origination.

Further, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost, and other exchange differences.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing on the reporting date and their statements of profit and loss are translated at the exchange rates prevailing on the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items if the average rate approximates the exchange rates on the transaction date. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

Any goodwill arising in the acquisition/business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange on the reporting date.

Any goodwill or fair value adjustments in business combinations/acquisitions that occurred before the date of transition to Ind AS (April 1, 2015) are treated as assets and liabilities of the entity rather than of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent, and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero on the date of transition, viz., April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

E. Fair value measurement

The Group measures financial instruments at fair value except those measured at amortised cost on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for the valuation of significant assets, such as properties and unquoted financial assets. The involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of their nature, characteristics and risks and the level of the fair value hierarchy as explained above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

E. Fair value measurement (contd.)

This note summarises accounting policy for fair value. Other fair value-related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 35)
- Quantitative disclosures of fair value measurement hierarchy (Note 51)
- Investment in unquoted equity shares (Note 7)
- Investment properties (Note 4)
- Financial instruments (including those carried at amortised cost) (Note 52)

F. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy for recognising revenue is determined by the five-stage model proposed in Ind AS 115 "Revenue from contracts with customers".

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on the date of bill of lading for export sales and generally on delivery for domestic sales. In the case of certain subsidiaries, revenue recognition is based on ex-factory/ex-works incoterms wherein the goods are made available at the subsidiary company's factory and are to be picked up by the customers. The performance obligation is met at the time the goods being made available for pick-up by customers. The normal credit term is 30 to 240 days upon delivery.

In case of bill and hold arrangements, revenue is recognised when the Group completes its performance obligation to transfer control of the goods to the customer in accordance with the agreed-upon specifications in the contract for which the customer has accepted the control. Such goods are identified and kept ready for delivery, based on which revenue is recognised.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Tooling income

Revenue from tooling income is recognised when control of the die is transferred on receipt of customer's approval (referred to as production parts approval process or PPAP) as per the terms of the contract.

Sale of services

Revenue from the sale of services is in the nature of job work on customer product, which normally takes a maximum of 1–4 days, and hence, revenue is recognised when products are sent to the customer on which job work is completed. The normal credit period is 60 days.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

F. Revenue from contracts with customers (contd.)

Service type warranty

Apart from assurance type warranties covered in warranty provisions, the Group also provides a warranty beyond fixing defects to ensure that the products are made available for a predefined period during the tenure of the warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of products and service-type warranties comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Operating and maintenance services

When the Group sells products bundled with maintenance services, such services are treated as a separate performance obligation only if they are optional to the customer or include an additional service component. In such cases, the transaction price allocated towards such maintenance services is based on the relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is generally contracted for an item when sold separately is the best evidence of its standalone selling price.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in Note 2.3 T Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration in the form of an advance from the customer (or an amount of consideration is due). If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligation as per the contract.

G. Other Income

Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates expected cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

Dividends

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

H. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income/netted off against expenses on a systematic basis in the statement of profit and loss over the periods

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

H. Government grants (contd.)

necessary to match them with the related costs, which it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and allocated to the statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export incentives

Income from export incentives are accounted for on the export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

I. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled, and the temporary differences will probably not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that taxable profit will probably be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

I. Taxes (contd.)

- In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognised only to the extent that the temporary differences will probably reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed on each reporting date and are recognised to the extent that future taxable profits will probably allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Indirect taxes paid on the acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

J. Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Internally manufactured plant and equipment are capitalised at cost, including non-creditable indirect taxes after deducting the net proceeds from selling any items produced while bringing the asset to the required location and condition, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment/investment property are capitalised. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria as per Ind AS 16 are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision are met.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

J. Property, plant and equipment (contd.)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted (if appropriate).

Depreciation for identified components is computed on the straight line method based on useful lives, determined based on internal technical evaluation as follows:

Type of assets	Schedule II life (years)	Useful life estimated by management (years)
Building – Factory	30	8 – 50
Buildings – Others	5 – 60	5 – 60
Plant and machinery	15	1 – 23
Plant and machinery – Dies	15	1 – 7
Plant and machinery – Windmill	25	19
Plant and machinery – Continuous processing plant	25	18
Plant and Machinery – Computer	3	3
Office equipment	5	3 – 11
Railway sidings	15	10
Power Line	6	6
Electrical installation	10	10
Factory equipment	10	2 – 10
Furniture and fixtures	10	5 – 10
Vehicles	8	3 – 9
Aircraft	20	7 – 18

The Holding Company and its Indian subsidiaries, based on a technical assessment made by a technical expert and management estimate, depreciate certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

K. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment property using cost-based measurements, the fair value measurement of the investment property is disclosed in Note 4. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying a valuation model.

The investment properties held by the Group are in the nature of freehold land and hence, are not subject to depreciation.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

L. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which it is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives are recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Group amortises intangible assets on a straight-line basis over the useful life of the asset as mentioned below:

Type of Asset	Useful life estimated by management (years)
Computer software	3 – 5
Development costs	10
Patents	10
Technology license	5
Customer contracts	2
Technical know-how	3

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

L. Intangible Assets (contd.)

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure the expenditure reliably during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

M. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to borrowing costs.

N. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets on the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life estimated by management (years)
Buildings	2 – 18
Plant and machinery	3 – 15
Motor vehicles and other equipment	3 – 5
Leasehold Land	95 – 99

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

N. Leases (contd.)

If ownership of the leased asset transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.3-P Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities increases to reflect the accretion of interest and is reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those with a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

O. Inventories

Costs of inventories have been computed to include all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on a weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The costs of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods are valued at the lower of costs, determined on a weighted average basis and net realisable value.

Dies are valued at cost or net realisable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Costs of dies are determined on a weighted average basis.

Scrap is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

P. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

P. Impairment of non-financial assets (contd.)

and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Q. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising out of past event where an outflow of resources will be not required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

R. Warranty

Provision for assurance-type warranties predominantly covers risk arising from expected claims for damages to products sold by the Group, based on expectations about the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty related costs is revised annually. The Group usually provides an assurance-type warranty for a period of two years.

S. Post-employment and other employee benefits

Provident fund

The Holding Company operates a defined benefit plan for the eligible employees to provide employee benefit in the nature of a provident fund. For the employees of the Group which are not covered under the above plan, a separate plan is operated which is a defined contribution plan.

The eligible employees of the Holding Company receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Holding Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Holding Company contributes a part of the contributions to the "Bharat Forge Company Limited Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered by the Government. The Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust's and the notified interest rate.

The cost of providing benefits under the above-mentioned defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out on each balance sheet date, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

With respect to the employees of the Group who are not covered under the above scheme, a portion of the provident fund is contributed to the Government-administered pension fund which is a defined contribution scheme.

The Holding Company and its Indian subsidiaries have no obligation, other than the contribution payable to the provident fund. The Holding Company and its Indian subsidiaries recognise contribution payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

S. Post-employment and other employee benefits (contd.)

Gratuity, Post retirement medical benefits and pension:

The Holding Company and some of its Indian subsidiaries operate two defined benefits plans for its employees, viz. gratuity and special gratuity scheme whereas the overseas subsidiaries operate only one defined benefit plan for gratuity payable to their employees. Payment for present liability of future payment of gratuity is being made to approved gratuity funds. The special gratuity scheme is unfunded. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the project unit credit method.

The Holding company provides certain additional post-employment healthcare benefits and a defined benefit pension plan to certain key management personnel. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Under this unfunded scheme, Key managerial personnel of the Holding Company receive medical benefits and pension, depending on their grade and location at the time of retirement (subject to certain limits on amounts of benefits for periods after retirement and types of benefits). The Holding Company recognises liability for post-retirement medical and pension scheme based on an actuarial valuation.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment
- The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Superannuation

Retirement benefit in the form of a superannuation plan is a defined contribution plan. Defined contributions to Life Insurance Corporation for employees of the Holding Company covered under the Superannuation scheme are accounted at the rate of 15% of such employees' basic salary. The Group recognises expenses toward the contributions paid/payable to the defined contribution plan as and when an employee renders the relevant service. If the contribution already paid exceeds the contribution due for a service before the balance sheet date, the Group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or cash refund. If the contribution already paid is lower than the contribution due for a service before the balance sheet date, the Group recognises that difference as an excess or a liability. The Group has no obligation, other than the contribution payable to the superannuation fund.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

S. Post-employment and other employee benefits (contd.)

Privilege leave benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for, based on the actuarial valuation using the projected unit credit method at year-end.

Actuarial gains/losses are immediately taken to the statement of other comprehensive income and are not deferred. The Group presents the leave as a current provision in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current provisions.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of these benefits; and (b) when the entity recognises cost for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Pension

Group provides certain additional post employment healthcare benefits and a defined benefit pension plan to certain key managerial personnel. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Other long-term employee benefits

In the case of certain overseas subsidiaries, there are long-term employee benefits in the nature of pension plans, jubilee scheme and early retirement scheme. Long-term employee benefits are defined benefit obligations and are provided on the basis of an actuarial valuation. Separate actuarial valuation is carried out for each plan using the project unit credit method.

Actuarial gains and losses for all defined benefit plans are recognised in full in the period in which they occur in the consolidated statement of other comprehensive income.

T. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets excluding trade receivables are initially measured at fair value. Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

added to the fair value measured on initial recognition of financial asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised in consolidated profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Financial assets, Equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at the amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at the amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to exchange traded funds, trade and other receivables.

The Group intends to hold its investment in open-ended target maturity funds (i.e. exchange traded funds/ ETF) till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy, in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such a strategy mitigates intermittent price volatility in open ended target maturity funds' underlying investments, and investors who remain invested until maturity are expected to mitigate market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupons and maturity, and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open-ended target maturity funds meet the requirements of the SPPI test as per the requirements of Ind AS 109.

Financial assets at FVTOCI

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gains or losses in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset which otherwise meets the amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in fair value. The Group makes such an election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from the OCI to the statement of profit and loss, even on the sale of an investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Financial assets that are measured at FVTOCI

The Group follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of a simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment losses on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the entity reverts to recognising impairment loss allowance based on the 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

  ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI:

  Since financial assets are already reflected at fair value, the impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment losses, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit-impaired on purchase/origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition at fair value through profit and loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at the amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows otherwise required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

U. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects the statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine if they have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as a charge.

For fair value hedges relating to items carried at the amortised cost, any adjustment to carrying value is amortised through the statement of profit and loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in trade receivables. The change in fair value is recognised as an asset or liability with corresponding gain or loss recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

U. Derivative financial instruments and hedge accounting (contd.)

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit and loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

Cash flow hedges

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. Refer to Note 50 for more details.

Amounts recognised as the OCI are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as the OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or roll-over (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in the OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

V. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

W. Dividend to equity holders of the Group

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

X. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

2.3 Summary of material accounting policies (contd.)

Y. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

3. PROPERTY, PLANT AND EQUIPMENT

In ₹ Million

	Freehold land	Buildings (Note e and f)	Plant and machinery (Note b)	Railway sidings	Office equipments	Electrical installations	Factory equipment	Sub Total (A)
Cost								
As at April 1, 2024	**1,125.06**	**15,465.53**	**75,987.59**	**0.02**	**359.50**	**376.43**	**4,825.25**	**98,139.39**
Foreign Currency Translation Reserve	12.91	255.57	950.62	-	1.66	-	87.84	1,308.60
Additions	983.15	3,843.53	5,728.30	-	22.22	58.00	350.37	10,985.57
Disposals/Capitalised	-	(2.77)	(73.25)	-	(0.05)	(0.28)	(30.08)	(106.43)
Other adjustments								
- Others	-	-	(4.28)	-	-	-	-	(4.28)
- Borrowing cost **(Refer note a)**	-	-	-	-	-	-	-	-
As at March 31, 2025	**2,121.12**	**19,561.86**	**82,588.98**	**0.02**	**383.33**	**434.15**	**5,233.38**	**110,322.85**
Foreign Currency Translation Reserve	74.03	1,626.93	6,333.28	-	68.97	140.88	644.70	8,888.79
Additions	764.88	1,044.57	13,454.82	-	91.91	44.09	558.46	15,958.73
Disposals/Capitalised	(9.10)	(16.31)	(1,067.05)	-	(2.58)	(1.28)	(206.00)	(1,302.32)
Additions on acquisition of subsidiary	388.13	1,274.59	3,723.71	-	3.12	-	-	5,389.55
Other adjustments								
- Others	-	-	-	-	-	-	-	-
- Borrowing cost **(Refer note a)**	-	-	-	-	-	-	-	-
As at March 31, 2026	**3,339.06**	**23,491.64**	**105,033.74**	**0.02**	**544.75**	**617.84**	**6,230.54**	**139,257.60**
Depreciation and impairment								
As at April 1, 2024	**-**	**3,720.44**	**37,865.65**	**-**	**170.34**	**190.29**	**2,995.81**	**44,942.53**
Foreign Currency Translation Reserve	-	61.30	471.25	-	1.43	-	61.90	595.87
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-
Charge for the year	-	569.17	6,627.14	-	57.24	18.30	445.38	7,717.23
Disposals	-	(1.28)	(54.99)	-	(0.03)	-	(30.08)	(86.38)
Impairment	-	59.41	300.07	-	13.26	-	-	372.74
As at March 31, 2025	**-**	**4,409.04**	**45,209.12**	**-**	**242.24**	**208.59**	**3,473.01**	**53,541.99**
Foreign Currency Translation Reserve	3.42	489.38	3,780.75	-	53.56	96.17	541.61	4,964.89
Additions on acquisition of subsidiary	-	340.29	2,378.31	-	2.54	-	-	2,721.14
Charge for the year	2.96	741.06	7,278.79	-	71.60	73.99	335.46	8,503.86
Disposals	-	(10.60)	(1,010.08)	-	(2.58)	(1.28)	(201.08)	(1,225.62)
As at March 31, 2026	**6.38**	**5,969.17**	**57,636.89**	**-**	**367.36**	**377.47**	**4,149.00**	**68,506.26**
Net block								
As at March 31, 2025	**2,121.12**	**15,152.83**	**37,379.87**	**0.02**	**141.09**	**225.56**	**1,760.37**	**56,780.86**
As at March 31, 2026	**3,332.68**	**17,522.48**	**47,396.86**	**0.02**	**177.39**	**240.37**	**2,081.54**	**70,751.34**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

In ₹ Million

	Furniture and fixtures	Vehicles and aircraft	Power line	Sub Total (B)	Grand Total (A+B)	Capital work-in-progress
Cost						
As at April 1, 2024	**430.70**	**1,953.59**	**16.17**	**2,400.46**	**100,539.85**	**9,780.84**
Foreign Currency Translation Reserve	-	0.61	-	0.61	**1,309.21**	12.70
Additions	93.26	397.06	-	490.32	**11,475.89**	11,564.63
Additions on acquisition of subsidiary	-	-	-	-	**-**	-
Disposals/Capitalised	(8.30)	(6.57)	-	(14.87)	**(121.30)**	(4,397.41)
Other adjustments						
- Others	-	4.28	-	4.28	**-**	-
- Borrowing cost **(Refer note a)**	-	-	-	-	**-**	304.96
As at March 31, 2025	**515.66**	**2,348.97**	**16.17**	**2,880.80**	**113,203.65**	**17,265.72**
Foreign Currency Translation Reserve	8.47	10.06	-	18.53	**8,907.32**	598.98
Additions	57.65	327.17	-	384.82	**16,343.55**	6,776.15
Additions on acquisition of subsidiary	43.40	-	-	43.40	**5,432.95**	275.40
Disposals/Capitalised	(6.35)	(13.14)	-	(19.49)	**(1,321.81)**	(12,646.53)
Other adjustments						
- Others	-	-	-	-	**-**	(135.54)
- Borrowing cost **(Refer note a)**	-	-	-	-	**-**	391.33
As at March 31, 2026	**618.83**	**2,673.06**	**16.17**	**3,308.06**	**142,565.66**	**12,525.49**
Depreciation and impairment						
As at April 1, 2024	**209.72**	**693.96**	**10.93**	**914.61**	**45,857.13**	**12.23**
Foreign Currency Translation Reserve	-	0.47	-	0.47	**596.34**	-
Additions on acquisition of subsidiary	-	-	-	-	**-**	-
Charge for the year	37.25	199.05	1.43	237.73	**7,954.96**	-
Disposals	(6.02)	(5.54)	-	(11.56)	**(97.94)**	-
Impairment	32.31	14.37	-	46.68	**419.42**	-
Other adjustments	-	-	-	-	**-**	-
As at March 31, 2025	**273.26**	**902.31**	**12.36**	**1,187.93**	**54,729.91**	**12.23**
Foreign Currency Translation Reserve	5.08	8.70	-	13.78	**4,978.67**	-
Additions on acquisition of subsidiary	36.12	-	-	36.12	**2,757.26**	-
Charge for the year	46.89	218.29	1.43	266.61	**8,770.47**	-
Disposals	(3.39)	(17.18)	-	(20.57)	**(1,246.19)**	-
As at March 31, 2026	**357.96**	**1,112.12**	**13.79**	**1,483.87**	**69,990.14**	**12.23**
Net block						
As at March 31, 2025	**242.40**	**1,446.66**	**3.81**	**1,692.86**	**58,473.74**	**17,253.49**
As at March 31, 2026	**260.87**	**1,560.94**	**2.38**	**1,824.19**	**72,575.52**	**12,513.26**

(a) Capitalised borrowing costs:
The Group capitalises these borrowing costs in the capital work-in-progress (CWIP) first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital work-in-progress (CWIP) balances. The borrowing costs capitalised during the year ended March 31, 2026 were ₹ 391.36 million (March 31, 2025: ₹ 304.96 million). The capitalisation rate ranges from LIBOR + 60 bps to LIBOR + 100 bps p.a. and EURIBOR + 60 bps to EURIBOR + 95 bps p.a. and SOFR + 60 bps to SOFR + 116 bps, **refer to note 18.**

(b) Assets include assets lying with third parties amounting to ₹ 989.51 Million (March 31, 2025: ₹ 332.30 Million).

(c) Other adjustments are related to reclassification within block of assets.

(d) None of the components in the Group have revalued any property, plant and equipment during the year.

(e) Buildings include cost of hangar jointly owned with other companies ₹ 0.07 million (March 31, 2025: ₹ 0.07 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(f) The title deeds of immovable properties (other than properties where the Holding Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Holding Company except:

a. Flat at Kalyani Nagar in possession of the Holding Company since April 01, 1987, whose title deed is in the name of Shri Anajwala Khozema F & Smt. Anajwala Amina aggregating gross block ₹ 0.31 million and net block ₹ 0.13 million for which the exchange deed is registered at the authority; however, a certified true copy and Index II are awaited.

b. Hanger at Lohegoan in possession of the Holding Company since April 01, 1977, aggregating gross block of ₹ 0.12 million and net block of ₹ 0.04 million and Tenements at Kharadi-Vimannagar in possession of the Holding Company since April 01, 1981, aggregating gross block of ₹ 0.16 million and net block of ₹ 0.01 million for which title deeds are not available with the Holding Company.

(g) During the previous year, two subsidiaries which were engaged in the manufacturing of electric bikes, which are part of a separate cash generating unit (CGU), have recorded a provision for impairment of ₹ 419.42 million in property, plant & equipment. **[Also refer Note 32(e)]**

(h) Capital work in progress (CWIP), including Intangible asset under development ageing schedule:

In ₹ Million

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2026					
Projects in progress	8,367.68	3,584.92	500.32	457.60	12,910.53
Projects temporarily suspended				73.19	73.19
Total	**8,367.68**	**3,584.92**	**500.32**	**530.79**	**12,983.71**
March 31, 2025					
Projects in progress	9,243.52	7,443.64	207.25	349.59	17,244.00
Projects temporarily suspended	-	-	32.65	40.54	73.19
Total	**9,243.52**	**7,443.64**	**239.90**	**390.13**	**17,317.19**

There are no projects whose completion is overdue or that have exceeded their cost compared to the original plan.

4. INVESTMENT PROPERTY

In ₹ Million

Particulars	Freehold land
Cost	
As at April 1, 2024	**2.89**
Additions	278.74
Disposals	-
As at March 31, 2025	**281.63**
Additions	
Disposals	-
As at March 31, 2026	**281.63**
Depreciation	
As at April 1, 2024	**-**
Depreciation for the year	-
As at March 31, 2025	**-**
Depreciation for the year	-
As at March 31, 2026	**-**
Net block	
As at March 31, 2025	**281.63**
As at March 31, 2026	**281.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

4. INVESTMENT PROPERTY (CONTD.)

Information regarding income and expenditure of investment property

In ₹ Million

Particulars	March 31, 2026	March 31, 2025
Rental income derived from investment properties **[included in Rent in note 25]**	74.95	62.39
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income		
[included in Rates and taxes in note 31]	0.28	0.28
Profit arising from investment properties before depreciation and indirect expenses	**74.67**	**62.11**
Less: Depreciation	-	-
Profit arising from investment properties before indirect expenses	**74.67**	**62.11**

As at March 31, 2026 and March 31, 2025, the fair values of the properties are ₹ 1,185.84 million and ₹1,168.98 million, respectively. The Group obtains independent valuations for its investment properties at least annually. These valuations are performed by an accredited independent valuer firm and this firm is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers ready reckoner rates. The main input used is the ready reckoner rate. All resulting fair value estimates for investment properties are included in Level 2.

The Group has no restrictions on the realisability of its investment properties and has no contractual obligations to either construct or develop investment properties or for repairs, maintenance and enhancement. Freehold land includes 25 acres of land situated at Pune, 24.13 acres of land situated at Satara and 8.40 acres of land situated at Chakan, which has been given on lease.

Reconciliation of fair value

In ₹ Million

Investment properties	Free hold land
at April 1, 2024	**1,139.56**
Fair value difference	29.42
Purchases	-
at March 31, 2025	**1,168.98**
Fair value difference	16.86
Purchases	-
at March 31, 2026	**1,185.84**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

5 INTANGIBLE ASSETS AND GOODWILL

In ₹ Million

Particulars	Computer and Software	Customer contracts	Technical know-how	Development cost	Patents	Technology Licence	Total	Goodwill#	Intangible assets under development
Cost									
As at April 1, 2024	**514.03**	**7.84**	**8.65**	**416.27**	**11.96**	**856.89**	**1,815.64**	**3,306.14**	**143.82**
Foreign Currency Translation Reserve	7.53	-	-	(0.01)	-	-	7.52	12.48	
Additions	172.76	-	-	149.05	-	-	321.81	-	319.14
Disposals	(69.31)	-	-	(9.49)	-	-	(78.80)	-	(399.26)
Other adjustments									
- Others	-	-	-	-	-	-	-	-	-
As at March 31, 2025	**625.01**	**7.84**	**8.65**	**555.82**	**11.96**	**856.89**	**2,066.17**	**3,318.62**	**63.70**
Foreign Currency Translation Reserve	72.27	-	-	22.14	-	4.68	99.09	98.80	-
Additions	77.58	-	-	7.79	-	-	85.37	-	418.92
Additions on acquisition of subsidiary	4.92	-	289.67	-	-	-	294.59	1,224.24	-
Disposals	(33.45)	-	-	(1.03)	-	-	(34.48)	-	(12.17)
As at March 31, 2026	**746.33**	**7.84**	**298.32**	**584.72**	**11.96**	**861.57**	**2,510.74**	**4,641.66**	**470.45**
Amortisation/Impairment									
As at April 1, 2024	**336.71**	**7.84**	**7.87**	**258.71**	**4.38**	**492.24**	**1,107.75**	**346.29**	**-**
Foreign Currency Translation Reserve	5.94	-	-	-	-	-	5.94	8.08	-
Charge for the year	104.73	-	-	30.47	-	17.52	152.72	-	-
Disposals	(60.50)	-	-	-	-	-	(60.50)	-	
Impairment*	0.13	-	-	100.00	-	347.13	447.26	-	-
Other adjustments									-
- Others	-	-	-	-	-	-	-	336.42	
As at March 31, 2025	**387.01**	**7.84**	**7.87**	**389.18**	**4.38**	**856.89**	**1,653.17**	**690.79**	**-**
Foreign Currency Translation Reserve	64.00	-	-	22.04	-	1.48	87.52	48.34	-
Additions on acquisition of subsidiary	2.93	-	-	-	-	-	2.93	-	-
Charge for the year	123.24	-	26.70	40.61	-	3.20	193.75	-	-
Disposals	(32.60)	-	-	-	-	-	(32.60)	-	-
As at March 31, 2026	**544.58**	**7.84**	**34.57**	**451.83**	**4.38**	**861.57**	**1,904.77**	**739.13**	**-**
Net Block									
As at March 31, 2025	**238.00**	**-**	**0.78**	**166.64**	**7.58**	**-**	**413.00**	**2,627.83**	**63.70**
As at March 31, 2026	**201.75**	**-**	**263.75**	**132.89**	**7.58**	**-**	**605.97**	**3,902.53**	**470.45**

(a) The Group has identified the Company Mécanique Générale Langroise (MGL) as the CGU, to which goodwill has been allocated. MGL is involved in the machining of Oil & Gas and other industrial sector components. The goodwill generated through the business combination has been entirely allocated to CGU 'MGL' which pertains to the forging segment. The carrying amount of goodwill as at March 31, 2026 is ₹ 329.58 million (March 31, 2025: ₹ 192.31 million) net of impairment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

5 INTANGIBLE ASSETS AND GOODWILL (CONTD.)

(b) In earlier years, the Group had acquired JS Auto Cast Foundry India Private Limited which is engaged in the business of ductile iron foundry manufacturing raw and machined castings. Accordingly, as part of the overall business combination, the group recognised the goodwill amounting to ₹ 2,433.34 million based on the valuation reports obtained as part of the purchase price allocation.

(c) During the previous year, two subsidiaries which were engaged in the manufacturing of electric bikes, which are part of a separate cash generating unit (CGU), have recorded a provision for impairment of ₹ 447.26 million in intangible assets. **[Also refer Note 32(e)]**

(d) In the current years, the Group has acquired K Drive Mobility Solutions Private Limited which is engaged in the business of design, manufacture & supply of driveline systems. Accordingly, as part of the overall business combination, the group recognised the goodwill amounting to ₹ 1,224.23 million based on the valuation reports obtained as part of the purchase price allocation.

 # Impairment of Goodwill:

1. Kalyani Strategic Systems Limited

As a part of business restructuring, the goodwill of BF Infrastructure Limited (on the acquisition of the KPIT unit) was transferred to Kalyani Strategic Systems Limited. The Group had performed its annual impairment test for the year ending March 31, 2025. The Group had considered the discounted cash flows, among other factors, when reviewing for indicators of impairment. The calculations use post-tax cash flow projections based on financial budgets/forecasts approved by the management.

Key assumptions used for value in use calculations
Weighted Average Cost of Capital % (WACC) before tax (discount rate): Nil (March 31, 2025: 42.12%)

Terminal growth rate: Nil (March 31, 2025: 2.00%)

The discount rate is calculated as follows: WACC = Cost of equity x (1- gearing) + Cost of debt x (1- tax rate) x gearing. The terminal growth rate used is in line with the long-term inflation rate.

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

Based on the above assessment, there is no need for impairment of goodwill on March 31, 2026 (March 31, 2025: ₹ 53.00 million).

2. Mécanique Générale Langroise (MGL)

The Group performed its annual impairment test for the year ending March 31, 2026. The Group considers the discounted cash flows, among other factors, when reviewing for indicators of impairment. The calculations use pre-tax cash flow projections based on financial budgets/forecasts approved by the management.

Key assumptions used for value in use calculations
Weighted Average Cost of Capital % (WACC) before tax (discount rate): 12.60% (March 31, 2025: 12.40%)

Terminal growth rate: 1.90% (March 31, 2025: 1.80%)

The discount rate is calculated as follows: WACC = Cost of equity x (1- gearing) + Cost of debt x (1- tax rate) x gearing. The terminal growth rate used is in line with the long-term inflation rate.

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value after impairment.

Based on the above assessment, there is no need for impairment of goodwill on March 31, 2026 (March 31, 2025: Nil).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

5 INTANGIBLE ASSETS AND GOODWILL (CONTD.)

3. JS Autocast Foundry India Private Limited

The Group performed its annual impairment test for the year ending March 31, 2026. The Group considers the discounted cash flows, among other factors, when reviewing for indicators of impairment. The calculations use pre-tax cash flow projections based on financial budgets/forecasts approved by the management.

Key assumptions used for value in use calculations

Weighted Average Cost of Capital % (WACC) before tax (discount rate): 13.28% (March 31, 2025: 14.38%)

Terminal growth rate: 5.00% (March 31, 2025: 1.00%)

The discount rate is calculated as follows: WACC = Cost of equity x (1- gearing) + Cost of debt x (1- tax rate) x gearing. The terminal growth rate used is in line with the long-term inflation rate.

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value after impairment.

Based on the above assessment, there is no need for impairment of goodwill on March 31, 2026 (March 31, 2025: Nil).

4. Electric Bike CGU

During the previous year, two subsidiaries engaged in the manufacturing of electric bikes, which are part of a separate cash generating unit (CGU), had recorded a provision for impairment of ₹ 283.42 million in goodwill. **[Also refer Note 32(d)]**

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted equity instruments (fully paid)		
- Investment in associates		
Talbahn GmbH **[Refer note 6 (a)]**	-	0.30
Less: Provision for impairment in value of investments	-	(0.30)
	-	-
136,500 (March 31, 2025: 136,500) equity shares of ₹ 10/- each fully paid up in Aeron Systems Private Limited **[Refer note 39]**	160.83	144.36
11,375,000 (March 31, 2025: 11,375,000) equity shares of ₹ 10/- each fully paid up in Avaada MHVIDARBHA Private Limited **[Refer note 39]**	120.11	117.45
769,000 (March 31, 2025: 769,000) ordinary shares fully paid in Edgelab S.p.A. **[Refer note 39 and 6(c)]**	216.57	234.01
- Investments in joint ventures		
7,128,219 (March 31, 2025: 7,128,219) equity shares of ₹ 10/- each fully paid up in BF NTPC Energy Systems Limited **[Refer note 6(b)]**	33.64	33.64
Less: Provision for impairment in value of investments	(33.64)	(33.64)
	-	-
12,500 (March 31, 2025: 12,500) ordinary shares of Eur 1.00 each in Refu Drive GmbH [11,350,000 (March 31, 2025: Euro 11,350,000)] **[Refer note 38 and 6(d)]**	312.84	409.26
Less: Provision for impairment in value of investments	(196.21)	-
	116.63	409.26
Total	**614.14**	**905.08**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTD.)

a. Not included in the consolidation based on materiality.

b. In the earlier years, the shareholders of BF NTPC Energy Systems Limited, at their extraordinary general meeting held on October 9, 2018, decided to voluntarily liquidate the Company and engaged a liquidator to liquidate the Company under the provisions of Section 59 of the Insolvency and Bankruptcy Code 2016.

c. During the previous year, the Group acquired through Kalyani Strategic Systems Limited (wholly owned subsidiary of the Holding Company), 25% of equity share capital (769,000 Equity Shares) of Edgelab S.p.A. through a private placement arrangement. The Group has voting power of 19.84% and also as per the shareholding agreement, Kalyani Strategic Systems Limited has the right to appoint its CEO as a member of the board of directors of the Investee Company. Accordingly, the Group has significant influence over the investee Company. Edglab S.p.A. is therefore, considered to be an Associate.

d. During the current year, the Group has made provision for impairment in value of investment of ₹ 196.21 million on investment in equity instruments of Refu Drive GmbH

7. INVESTMENTS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current investment		
(a) Investments designated at amortised cost		
Debt Mutual funds (unquoted)	1,254.52	1,839.31
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	1,083.46	-
(a)	**2,337.98**	**1,839.31**
(b) Investments designated at fair value through OCI (FVTOCI)		
- Equity instruments (unquoted)		
- Investments in others (Group holds 5% or more of the share capital) fully paid		
38,384,202 (March 31, 2025: 38,384,202) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited **[Refer note 7(b)]**	1,116.98	1,070.92
14,245,000 (March 31, 2025: 14,245,000) equity shares of ₹ 10/- each in Avaada SataraMH Private Limited **[Refer note 7(b)]**	180.63	166.38
2,033,850 (March 31, 2025: 2,033,850) equity shares of ₹ 10/- each in Avaada MHBuldhana Private Limited **[Refer note 7(b)]**	26.03	23.76
1,160,668 (March 31, 2025: 1,160,668) ordinary shares of £ 0.00001 each in TMJ Electric Vehicles Limited (formerly known as Tevva Motors (Jersey) Limited) **[Refer note 7(d)]**	-	-
13,982,725 (March 31, 2025: 13,982,725) Class A Common Stock having par value $ 0.00001 in Harbinger Motors Inc. **[Refer note 7(b)]**	635.29	2,013.98
82,320 (March 31, 2025: Nil) equity shares of Sunsure Solarpark Twenty Three Private Limited **[Refer note 7(f)]**	102.90	-
1,300,000 (March 31, 2025: 1,300,000) ordinary shares having par value ₹ 10 in Ratnakar Energy Private Limited **[Refer note 7(b)]**	13.00	13.00
Investment in Limited Liability Partnership 14% (March 31, 2025: 14%) share in SPI Power LLP **[Refer note 7(b)]**	0.01	-
20,698 (March 31, 2025: 20,698) ordinary shares having par value ₹ 10 in Sunsure Solarpark Twenty Eight Private Limited **[Refer note 7(e)]**	25.88	25.88
Carried over	2,100.72	3,313.92

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

7. INVESTMENTS (CONTD.)

In ₹ Million

Particulars		As at March 31, 2026	As at March 31, 2025
Brought over		2,100.72	3,313.92
- Equity instruments (quoted)			
- Investment in others			
613,000 (March 31, 2025: 613,000) equity shares of ₹ 10/- each fully paid up in KPIT Technologies Limited [Refer note 7(b)]		389.10	801.47
613,000 (March 31, 2025: 613,000) equity shares of ₹ 2/- each fully paid up in Birlasoft Limited [Refer note 7(b)]		203.85	237.66
Total FVTOCI Investments	**(b)**	**2,693.67**	**4,353.05**
	Total (a) + (b)	**5,031.65**	**6,192.36**
Current investments			
(c) Investments designated at amortised cost			
Debt Mutual funds (unquoted)		689.94	52.59
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)		250.87	2,130.25
	(c)	**940.81**	**2,182.84**
(d) Investments designated at fair value through profit or loss (FVTPL)			
Investments in mutual funds (quoted funds) [Refer note 7(c)]		865.01	1,653.42
Investments in mutual funds (unquoted funds) [Refer note 7(c)]		7,567.28	8,714.60
Investment in mutual funds (quoted funds) by subsidiary companies [Refer note 7(c)]		505.17	136.97
Investment in mutual funds (unquoted funds) by subsidiary companies [Refer note 7(c)]		1,731.40	692.41
Investments in private equity fund (unquoted funds)			
665,040.45 (March 31, 2025: 665,040.45) Units of ₹ 100/- each of Paragon Partners Growth Fund - I [Refer note 7(c)]		129.55	149.35
Total FVTPL Investments	**(d)**	**10,798.41**	**11,346.75**
	Total (c) + (d)	**11,739.22**	**13,529.59**
Non-current			
Aggregate book value of quoted investments		**1,183.70**	**100.24**
Aggregate market value of quoted investments		**1,676.41**	**1,039.13**
Aggregate value of unquoted investments		**3,355.24**	**5,153.23**
Current			
Aggregate book value of quoted investments		**1,520.39**	**3,700.16**
Aggregate market value of quoted investments		**1,621.05**	**3,920.64**
Aggregate value of unquoted investments		**10,118.17**	**9,608.95**

(a) Investments designated as FVTOCI are not held for trading purpose and are not in similar line of business as the Group.

(b) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity and quoted debt securities. **Refer note 51** for determination of their fair values.

(c) Investments at fair value through profit and loss (fully paid) reflect investment in quoted/unquoted equity, mutual funds and debt securities. **Refer note 51** for determination of their fair values.

(d) TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited)

The Group holds investments in Tevva Motors Limited held through TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited, collectively referred to as Tevva. Tevva is a start-up engaged in modular electrification system for medium range of commercial vehicles raised additional funding to finance its operations. Post allotment of equity shares by Tevva Motors to the new investors, Tevva has ceased to be an associate of the Group from November 8, 2021. Accordingly, the Group has classified it to be an equity instrument held at fair value through other comprehensive income.

During the previous year, the Group had considered a fair value adjustment as against the total carrying value of Tevva Motors Limited which is under the administrator, resulting in other comprehensive loss of ₹ 0.54 million making the value of investment nil. This fair value adjustment has been considered basis future projections and revenue market multiple for comparable companies in the segment.

(e) Sunsure Solarpark Twenty Eight Private Limited

During the previous year, the Group has invested in Sunsure Solarpark Twenty Eight Private Limited of ₹ 25.88 million by acquiring 20,698 equity shares of ₹ 10/- each at a premium of ₹ 1,240 each.

(f) Sunsure Solarpark Twenty Three Private Limited

During the current year, the Group has invested in Sunsure Solarpark Twenty Three Private Limited of ₹ 102.90 million by acquiring 82,320 equity shares of ₹ 10/- each at a premium of ₹ 1,240 each.

8. LOANS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current (Unsecured, considered good)		
Other loans		
Loans to employees	37.67	58.54
Total	**37.67**	**58.54**
Current (Unsecured, considered good)		
Loans to related parties		
Loans to associates and joint ventures [Refer note 45 and 47]	155.88	128.81
Other loans		
Loans to employees	20.44	37.33
Total	**176.32**	**166.14**

No loans are due from directors or other officers of the Group, firms in which a director is a partner or private companies in which a director is a director or member, either severally or jointly with any other person, except for loans/advances disclosed in **Notes 45 and 47**.

Loans are non derivative financial assets which generate fixed interest income for the group. The carrying value may be affected by changes in the credit risk of the counter parties.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

9. DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	-	289.02
Total	**-**	**289.02**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	-	583.94
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	-	16.63
Total	**-**	**600.57**

In the previous year, derivative instruments not designated as hedges reflect the positive change in cross-currency swaps entered by the Group for two of its long-term INR Non-Convertible Debentures and two of its term loans.

10. OTHER FINANCIAL ASSETS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non current		
Government grants*	64.25	58.52
Security deposits	593.03	500.17
Corporate Fixed Deposits	2,383.39	1,057.53
Other receivables**		-
Total	**3,040.67**	**1,616.22**
Current		
Government grants*	232.81	280.88
Corporate Fixed Deposits	2,327.50	500.39
Security deposits	3.94	7.39
Interest Recoverable	16.82	98.93
Deposits with maturity of less than 12 months	-	119.84
Other receivables from customers	770.01	-
Other receivables**	429.84	28.95
Total	**3,780.92**	**1,036.38**

* Includes receivables against various schemes of export incentives and Industrial Promotion Subsidy (IPS) under Package Scheme of Incentives (PSI) 2007. There are no unfulfilled conditions or other contingencies attached to the said government grants.

** Other receivables include specific receivables from customers and other sundry balances receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

11. INVENTORIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components*	11,666.51	10,200.61
Work-in-progress	12,238.29	9,576.99
Finished goods**	12,422.85	12,664.13
Stock in Trade	170.98	-
Stores, spares and loose tools	3,588.20	2,982.84
Dies and dies under fabrication	324.68	236.30
Scrap	116.32	123.49
Total	**40,527.83**	**35,784.36**

* Includes goods in transit March 31, 2026: ₹ 559.43 million (March 31, 2025: ₹ 271.67 million)

** Includes goods in transit March 31, 2026: ₹ 5,967.50 million (March 31, 2025: ₹ 6,718.66 million)

During the year ended March 31, 2026, ₹ 125.59 million (March 31, 2025: ₹ 234.49 million) was recognised as the expenditure on inventories carried at net realisable value.

12. TRADE RECEIVABLES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non current		
Unsecured		
Considered good	169.06	135.81
Total	**169.06**	**135.81**
Less:		
Loss allowance (allowance for bad and doubtful debts including expected credit loss)		
Unsecured (Considered good)	0.38	0.33
	0.38	**0.33**
Total	**168.68**	**135.48**
Current		
Secured		
Considered good	131.30	24.73
	131.30	**24.73**
Unsecured		
Considered good (including related parties receivable)	39,368.93	29,408.84
Credit impaired	164.46	154.48
	39,533.39	**29,563.32**
Less:		
Loss allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	164.46	154.48
Unsecured (considered good)	402.24	437.51
	566.70	**591.99**
Total	**39,097.99**	**28,996.06**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

12. TRADE RECEIVABLES (CONTD.)

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

For terms and conditions relating to related party receivables, **refer note 48.**

Trade receivables are non-interest bearing and are generally on terms of 30 to 240 days.

For details of debts due from firms or private companies in which any director is a partner, a director or a member, **refer note 48.**

Trade receivable ageing schedule

As at March 31, 2026

In ₹ Million

Particulars	Not yet due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables							
(a) Considered good	20,103.00	17,800.41	670.14	835.27	155.31	105.16	39,669.29
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	8.04	16.14	15.10	7.07	22.20	95.91	164.46
Unbilled revenue							
Disputed Receivables							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Unbilled revenue	-	-	-	-	-	-	-
Total	**20,111.04**	**17,816.55**	**685.24**	**842.34**	**177.51**	**201.07**	**39,833.75**
Loss Allowance	**67.83**	**116.75**	**28.25**	**110.70**	**62.43**	**181.12**	**567.08**

As at March 31, 2025

In ₹ Million

Particulars	Not yet due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables							
(a) Considered good	18,963.63	9,217.55	1,116.99	131.42	43.78	96.01	29,569.38
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	6.46	24.55	22.14	35.75	65.58	154.48
Unbilled revenue							-
Disputed Receivables							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Unbilled revenue	-	-	-	-	-	-	-
Total	**18,963.63**	**9,224.01**	**1,141.54**	**153.56**	**79.53**	**161.59**	**29,723.86**
Loss Allowance	**34.13**	**62.48**	**197.96**	**66.35**	**70.52**	**160.88**	**592.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

12. TRADE RECEIVABLES (CONTD.)

The amount repayable under the bill discounting arrangement is presented as borrowing. The relevant carrying amounts are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Transferred receivables	6,311.82	4,572.27
Associated borrowing from bank [Refer note 18]	6,313.60	4,581.67

The Holding company sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet, because the company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a secured/unsecured bank loan. The arrangement with the bank is such that customers remit cash directly to the company and the company transfers the collected amounts to the bank. The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities.

13. CASH AND BANK BALANCES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalent		
Balances with banks:		
In cash credit and current accounts	8,182.10	5,204.60
Deposits with original maturity of less than three months**	294.32	1,003.06
Cash on hand	2.43	2.69
Total	**8,478.85**	**6,210.35**
Other bank balances		
Earmarked balances (on unclaimed dividend accounts and unspent CSR accounts)	111.26	193.46
Other earmarked balances^	-	5,500.00
Deposits with original maturity of less than twelve months*#	1,309.31	1,009.95
Total	**1,420.57**	**6,703.41**

Bank deposits earn interest at fixed rates. Short-term deposits are generally made varying between seven days to twelve months, depending on the cash requirements of the Group and earn interest at the respective deposit rates.

* Includes deposits of ₹ Nil (March 31, 2025: ₹ 265.29 million) under bank lien for bank guarantees issued.

** Interest accrued is included in the carrying value of deposits with orginal maturity of less than three months for the year ended March 31, 2026 and March, 31 2025

\# Includes deposits of ₹ Nil (March 31, 2025: ₹ 1.43 million) held as security for various government authorities.

^ Unutilised funds from QIP for the purpose of acquisition of AAM India Manufacturing Corporation Private Limited parked in Fixed deposit with bank.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

14. OTHER ASSETS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current (Unsecured, considered good)		
Capital advances	1,813.03	2,126.30
Balances with government authorities	1,915.96	1,140.14
Government grants$	67.56	82.59
Advances to suppliers	120.67	117.89
Total	**3,917.22**	**3,466.92**
Current (Unsecured, considered good)		
Balances with government authorities	3,295.80	5,486.58
Government grant$	79.07	220.16
Advance to suppliers	1,966.22	1,888.71
Others*	1,465.77	1,701.13
Total	**6,806.86**	**9,296.58**

* Includes prepaid expenses, sundry debit balances etc.

$ Includes receivables against various schemes of export incentives. There are no unfulfilled conditions or other contingencies attached to the said government grants.

No advances are due from directors or other officers of the Group, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person except as disclosed in note 45.

For terms and conditions relating to related party receivables, **refer note 48.**

Break up of financial assets carried at amortised cost

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investments **[Refer note 7]**	3,278.79	3,995.44
Loans **[Refer note 8]**	213.99	224.68
Other financial assets **[Refer note 10]**	6,821.59	2,652.60
Trade receivables **[Refer note 12]**	39,266.67	29,131.54
Cash and cash equivalents **[Refer note 13]**	8,478.85	6,210.35
Other bank balances **[Refer note 13]**	1,420.57	6,703.41
Total	**59,480.46**	**48,918.02**

Break up of financial assets carried at fair value through OCI

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investments **[Refer note 7]**	2,693.67	4,314.17
Derivative instruments **[Refer note 9]**	-	872.96
Total	**2,693.67**	**5,187.13**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

14. OTHER ASSETS (CONTD.)

Break up of financial assets carried at fair value through profit and loss

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Investments **[Refer note 7]**	10,798.41	11,359.75
Derivative instruments **[Refer note 9]**	-	16.63
Total	**10,798.41**	**11,376.38**

15. EQUITY SHARE CAPITAL

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised shares (No.)		
975,000,000 (March 31, 2025: 975,000,000) equity shares of ₹ 2/- each	1,950.00	1,950.00
43,000,000 (March 31, 2025: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2025: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
478,268,492 (March 31, 2025: 478,268,492) equity shares of ₹ 2/- each	956.54	956.54
Subscribed and fully paid-up (No.)		
478,088,632 (March 31, 2025: 478,088,632) equity shares of ₹ 2/- each	956.18	956.18
Add:		
172,840 (March 31, 2025: 172,840) forfeited equity shares comprising 15,010 equity shares (March 31, 2025: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2025: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50 each)	0.09	0.09
Total subscribed and paid-up share capital	**956.27**	**956.27**

(a) Terms/rights attached to equity shares

The Holding Company has only one class of issued equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays a dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2026		As at March 31, 2025	
	No.	In ₹ Million	No.	In ₹ Million
At the beginning of the year	478,088,632	956.18	465,588,632	931.18
Issue of share through QIP **[Refer note c]**	-	-	12,500,000	25.00
Outstanding at the end of the year	478,088,632	956.18	478,088,632	956.18

(c) The Holding Company had raised capital of ₹ 16,500 million through Qualified Institutions Placement ("QIP") of equity shares. The Investment Committee constituted by the Board of Directors of the Company, at its meeting held on December 09, 2024, had approved the allotment of 12,500,000 equity shares of face value ₹ 2 each to eligible investors at a price of

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

15. EQUITY SHARE CAPITAL (CONTD.)

₹ 1,320 per equity share (including a premium of ₹ 1,318 per equity share). The objectives of the QIP were repayment/ prepayment of certain borrowings availed by certain subsidiaries, the proposed acquisition of the equity shares of AAM India Manufacturing Corporation Private Limited, including all associated costs in relation to the proposed acquisition and general corporate purposes. During the current year, the unspent amount of ₹ 5,500.39 million has been utilised for the acquisition of AAM India Manufacturing Corporation Private Limited ("AAMIMCPL"). The equity shares issued as a result of QIP have been considered in calculating earnings per share (EPS) for the year ended March 31, 2025.

(d) Information regarding issue of shares in the last five years

(i) The Holding Company has not issued any shares without payment being received in cash.

(ii) The Holding Company has not issued any bonus shares.

(iii) The Holding Company has not undertaken any buy-back of shares.

(e) Disclosure of shareholding of promoter and promoter group

Name of the promoter/promoter group member	Number of shares held at March 31, 2026	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.14%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.68%	-
Ajinkya Investment & Trading Company	14,981,850	3.13%	-
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	-
Kalyani Investment Company Limited	63,312,190	13.24%	-
BF Investments Limited	15,614,676	3.27%	-
Rajgad Trading Company Private Limited	1,360,260	0.28%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.39%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	0.98%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.23%	-
Campanula Investment & Finance Limited	739,980	0.15%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.21%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

15. EQUITY SHARE CAPITAL (CONTD.)

Name of the promoter/promoter group member	Number of shares held at March 31, 2025	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.14%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.68%	-
Ajinkya Investment & Trading Company	14,981,850	3.13%	-
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	0.02%
Kalyani Investment Company Limited	63,312,190	13.24%	-
BF Investments Limited	15,614,676	3.27%	-
Rajgad Trading Company Private Limited	1,360,260	0.28%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.39%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	0.98%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.23%	-
Campanula Investment & Finance Limited	739,980	0.15%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.21%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

(f) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company being the ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

(g) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	No.	% of Holding	No.	% of Holding
Equity Shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	63,312,190	13.24%	63,312,190	13.24%
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	55,252,924	11.56%
KSL Holding Private Limited	46,285,740	9.68%	46,285,740	9.68%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

15. EQUITY SHARE CAPITAL (CONTD.)

(h) Shares reserved for issue under option

Particulars	As at March 31, 2026	As at March 31, 2025
4,680 (March 31, 2025: 4,680) equity shares of ₹ 2/- each out of the bonus issue and previous issue of equity shares on a right basis together with 234 (March 31, 2025: 234) detachable warrants entitled to subscription of 2,340 (March 31, 2025: 2,340) equity shares of ₹ 2/- each, have been kept in abeyance and reserve for issue pending adjudication of title to the pre-right holding.	7,020.00	7,020.00

16. OTHER EQUITY

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserves		
Special capital incentive [Refer note 16 (a)]		
Opening balance	2.50	2.50
Closing balance	**2.50**	**2.50**
Warrants subscription money [Refer note 16(b)]		
Opening balance	13.00	13.00
Closing balance	**13.00**	**13.00**
Closing balance	**15.50**	**15.50**
Securities premium [Refer note 16(c)]		
Opening balance	23,103.22	6,930.89
Premium on allotment of equity shares **[Refer note 15 (a)]**	-	16,475.00
Expenses on allotment of equity shares	-	(302.67)
Closing balance	**23,103.22**	**23,103.22**
Employee stock option outstanding [Refer note 16(d)]		
Opening balance	127.36	127.36
Add: Compensation options granted during the year	-	-
Closing balance	**127.36**	**127.36**
General reserve [Refer note 16(e)]		
Opening balance	3,230.48	3,230.48
Closing balance	**3,230.48**	**3,230.48**
Retained earnings in the statement of profit and loss [Refer note 16(f)]		
Opening balance	61,811.48	56,757.59
Add:		
-Net profit for the year	10,796.61	9,411.53
-Items of other comprehensive income:		
Re-measurement gain/(loss) on defined benefit plans	170.69	(136.09)
Less:		
-Final equity dividend of previous year	2,868.53	3,026.33
-Interim equity dividend for current year	956.18	1,195.22
-Change in Fair Value of Put Option **[Refer note 19]**	294.72	-
Closing balance	**68,659.35**	**61,811.48**
Carried over	95,135.91	88,288.04

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

16. OTHER EQUITY (CONTD.)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Brought over	95,135.91	88,288.04
Cash flow hedge reserve [Refer note 2.3 (u)]		
Opening balance	559.27	1,351.85
Add: Arising during the year	-	57.48
Less: Adjusted during the year	3,973.98	850.06
Closing balance	**(3,414.71)**	**559.27**
Foreign currency translation reserve (FCTR) [Refer note 2.3 (d)]		
Opening balance	2,007.93	1,575.33
Add: Arising during the year	2,205.34	432.60
Closing balance	**4,213.27**	**2,007.93**
Non-controlling interest reserve		
Opening balance	(148.19)	(148.19)
Closing balance	**(148.19)**	**(148.19)**
Equity instruments through other comprehensive income		
Opening balance	870.02	929.76
Add: Adjusted during the year	(1,814.17)	(59.74)
Closing balance	**(944.15)**	**870.02**
Total:	**94,842.13**	**91,577.07**

(a) Special capital incentive:
A special capital incentive has been created during the financial year 1999-2000, amounting to ₹ 2.50 million under the 1988 Package Scheme of Incentives.

(b) Warrants subscription money:
The Holding Company had issued and allotted to Qualified Institutional Buyers, 10,000,000 equity shares of ₹ 2/- each at a price of ₹ 272/- per share aggregating to ₹ 2,720 million on April 28, 2010, simultaneous with the issue of 1,760, 10.75% Non Convertible Debentures (NCD) of a face value of ₹ 1,000,000/- at par, together with 6,500,000 warrants at a price of ₹ 2/- each entitling the holder of each warrant to subscribe for 1 equity share of ₹ 2/- each at a price of ₹ 272/- at any time within 3 years from the date of allotment. Following completion of three years term, the subscription money received on issue of warrants was credited to the capital reserve as the same is not refundable/adjustable. Further, the warrants had lapsed and ceased to be valid from April 28, 2013.

(c) Securities premium account:
The Securities premium is used to record the premium on the issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013. The Company had issued 12,500,000 equity shares of ₹ 2/- each at a price of ₹ 1,320/- per share (including a premium of ₹ 1,318 per equity share). The costs attributable directly to the above transaction amounting to ₹ 302.67 million, had been adjusted against securities premium.

(d) Employee stock option outstanding
One of the subsidiaries in India has issued equity settled stock options to its employees. **Refer note 58** for details.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

16. OTHER EQUITY (CONTD.)

(e) General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(f) Retained Earnings

Surplus in the statement of profit and loss represents the undistributed profits of the group accumulated as on Balance Sheet date.

17. DISTRIBUTION MADE AND PROPOSED TO BE MADE

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Cash dividends on equity shares declared and paid:		
Final dividend		
For the year ended on March 31, 2025: ₹ 6.00 per share (March 31, 2024: ₹ 6.50 per share)	2,868.53	3,026.33
Interim dividend		
During the year ended on March 31, 2026: ₹ 2.00 per share (March 31, 2025: ₹ 2.50 per share)	956.18	1,195.22
Proposed dividend on equity shares:		
Final dividend		
For the year ended on March 31, 2026: ₹ 6.50/- per share (March 31, 2025: ₹ 6.00/- per share)	3,107.58	2,868.53

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at year-end.

The Holding Company has complied with the provisions of Section 123 of the Companies Act 2013 related to dividends declared and dividends paid.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

18. BORROWINGS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current borrowings		
- Debentures		
7.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(e)]**	-	1,246.59
- Term loans from banks		
Foreign currency term loans (other than Rupee loans) (secured)		
On bilateral basis **[Refer note 18 (a)]**	6,818.39	5,545.68
Rupee term loans (secured)		
On bilateral basis **[Refer note 18 (b)(i)]**	789.18	1,053.79
Rupee term loans (unsecured)		
On bilateral basis **[Refer note 18 (b)(ii)]**	10,515.98	5,347.60
Total	**18,123.55**	**13,193.66**
Current borrowings		
- Debentures- current maturity		
5.97% Rated unsecured non-convertible debentures **[Refer note 18 (c)]**	-	2,495.55
5.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(d)]**	-	1,999.88
7.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(e)]**	1,248.26	-
- Current maturity of term loans from banks		
Foreign currency term loans (other than Rupee loans) (unsecured)		
On bilateral basis **[Refer note 18 (a)]**	-	1,365.89
Rupee term loans (secured)		
On bilateral basis **[Refer note 18 (b)(i)]**	394.67	358.33
Rupee term loans (unsecured)		
On bilateral basis **[Refer note 18 (b)(ii)]**	1,350.00	400.00
- From banks		
- Foreign currency loans		
Preshipment credit (secured) **[Refer note 18 (f)(i)]**	5,818.99	6,051.59
Preshipment packing credit (unsecured) **[Refer note 18 (f)(i)]**	187.58	189.12
Cash credit (secured) **[Refer note 18 (f)(iii)]**	22,349.20	15,218.56
Bill discounting with banks (secured) **[Refer note 18 (f)(ii)]**	11,982.02	14,109.60
Bill discounting with banks (unsecured) **[Refer note 18 (f)(ii)]**	5,526.40	6,372.65
Interest accrued but not due on borrowings	87.78	155.00
- Rupee loans		
Cash credit (secured) **[Refer note 18 (f)(iii)]**	622.34	692.82
Working Capital Demand Loan (secured) **[Refer note18 (h)]**	1,000.00	-
Bill discounting with banks (unsecured) **[Refer note 18 (f)(ii)]**	-	47.16
Interest accrued but not due on borrowings	34.60	214.35
- From related parties		
Loans from companies and directors (unsecured)	20.79	19.71
Total	**50,622.63**	**49,690.21**
Total secured loans	**49,774.79**	**43,030.37**
Total unsecured loans	**18,971.39**	**19,853.50**
Total	**68,746.18**	**62,883.87**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

Changes in liabilities arising from financing activities

In ₹ Million

Particulars	Current borrowings	Non-current borrowings
Balance as on April 1, 2024	**56,630.95**	**18,589.80**
Net cash flows	(14,370.36)	1,091.71
Foreign exchange management	800.20	130.02
Reclassified from non-current to current	6,619.64	(6,619.64)
Others	9.78	1.77
Balance as on March 31, 2025	**49,690.21**	**13,193.66**
Net cash flows	(6,472.81)	6,910.81
Foreign exchange movement	4,762.20	633.84
Reclassified from non-current to current	2,616.94	(2,616.94)
Others	7.84	2.32
Balance as on March 31, 2026	**50,604.37**	**18,123.69**

(a) Term loans

Foreign currency term loans on syndicated and bilateral basis (Secured & unsecured)

Repayable in half-yearly/yearly instalments along with interest ranging from LIBOR + 60 bps to LIBOR + 100 bps p.a., EURIBOR + 60 bps to EURIBOR + 64 bps p.a. and SOFR + 60 bps to SOFR + 116 bps.

Date of repayment	Repayment schedule			
	As at March 31, 2026		As at March 31, 2025	
	USD in Million	In ₹ Million	USD in Million	In ₹ Million
From				
- July, 2027 (Quarterly installment for 17 quarters)	35.00	3,312.90	35.00	2,995.35
- September, 2027 (3 Yearly installment over 2 years)	30.00	2,839.63	30.00	2,567.44
In				
- December 2024	-	-	16.00	1,365.89
	GBP in Million	**In ₹ Million**	**GBP in Million**	**In ₹ Million**
From				
- June, 2027 (Quarterly installment over 5 years)	5.30	665.86	-	-

Note: Term loans are secured against general property, plant and equipment and specific property, plant and equipment of the Group.

(a) (i) **Rupee term loan on bilateral basis (Secured)**
Repayable in 84 monthly instalments from the date of start of repayment, along with interest at base rate + 3.45%. The loan is secured against land and a guarantee given by the directors of the concerned subsidiary.

(ii) **Rupee term loan (unsecured)**
During the Financial year 2022-23, the Holding Company had availed the term loan of ₹ 2,000 million @ 5.90% p.a. from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- June 2025 (Yearly installment over 3 years)	-	2,000.00
- June 2026 (Yearly installment over 2 years)	1,600.00	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

(iii) **Rupee term loan (unsecured)**
During the Financial year 2023-24, the Holding Company has availed the term loan of ₹ 3,750 million @ 3 Month T-Bill + 95 bps from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- February 2027 (Yearly installment over 3 years)	3,750.00	3,747.60

(iv) **Rupee term loan (unsecured)**
During the current year, the Holding Company has availed the term loan of ₹ 5,500 million @ 3 Month T-Bill + 159 bps from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- April 2028 (Yearly installment over 4 years)	5,500.00	-

(v) **Rupee term loan (unsecured)**
During the current year, the Holding Company has availed the term loan of ₹ 2,500 million @ 3 Month T-Bill + 159 bps from the bank.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- April 2028 (Yearly installment over 4 years)	2,500.00	-

(c) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.97% p.a.**
The Holding Company has issued 5,000 5.97% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on private placement basis.

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/ Debenture by any rating agency, the Debenture Holders would reserve the right to recall the outstanding principal amount on the Debentures along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
From		
- August 2024 (Yearly installment over 2 years)	-	-
In		
- August 2025	-	2,500.00

(d) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.80% p.a.**
During the Financial year 2022-23, the Holding Company issued 2,000 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on a private placement basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/ Debenture by any rating agency, the Debenture Holders would reserve the right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
In		
- April 2025	-	2,000.00

(e) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 7.80% p.a.**
During the Financial year 2023-24,the Holding Company issued 12,500 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 100,000/- each on private placement basis.

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/ Debenture by any rating agency, the Debenture Holders would reserve the right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2026	As at March 31, 2025
	In ₹ Million	In ₹ Million
In		
- March 2027	1,250.00	1,250.00

(f) **Working capital loans**

(i) **Preshipment packing credit**
The loan is secured against hypothecation of inventories **(refer note 11)** and trade receivables **(refer note 12)**

Preshipment credit - Rupee (secured and unsecured) is repayable within 90 days and carries interest @ 7.00% to 8.50% p.a.

Pre-shipment credit - foreign currency (Euro) (secured and unsecured) is repayable within 90 days to 180 days and carries interest @ SOFR/EURIBOR + 55 bps to SOFR/EURIBOR + 120 bps p.a. respectively.

(ii) **Bill discounting with banks**
The loan is secured against hypothecation of inventories **(Refer note 11)** and trade receivables **(Refer note 12)**

Bill discounting (secured and unsecured) with banks is repayable within 30 to 210 days.

Rupee and Foreign (Euro) bill discounting (secured and unsecured) with banks carries interest @ 7.00% p.a. to 8.15% p.a. and SOFR + 55 bps to SOFR + 130 bps p.a. & EURIBOR + 55 bps to EURIBOR + 130 bps p.a. respectively.

(iii) **Cash credits (secured)**
The loan is secured against hypothecation of inventories and trade receivables.

Cash credit is repayable on demand and carries interest @ 3.50% to 6.00% per annum.

(g) **Loan availed for specific purpose and their utilisation for specified purpose:**
During the previous year, the Holding Company had availed of unsecured rupee term loan and issued listed, rated, unsecured, redeemable, non-convertible debentures on a private placement basis. Proceeds from the said term loan had been partially utilised for the intended purpose and the balance amount had been parked in a designated bank account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

18. BORROWINGS (CONTD.)

(h) **Working capital facilities and statements filed with bank**
The Holding Company has been sanctioned a fund-based limit of ₹ 40,080 million and a non-fund-based limit of ₹ 12,750 million as on March 31, 2026 and (fund-based limit of ₹ 40,080 million and non-fund-based limit of ₹ 7,250 million as on March 31, 2025) in respect of working capital facilities by its bankers. Companies of the group have availed working capital facilities from banks in the form of packing credit, bill discounting and cash credit. These companies have filed quarterly statements with banks with regard to the securities provided against such working capital facilities on a periodic basis. The statements filed by the respective companies are in agreement with the books of accounts of the respective company, except in the case of one of the subsidiary companies, where the quarterly returns or statements filed are not in agreement with the books of account of the Company for the quarter ended June 30, 2025, Sep 30, 2025 and Dec 31, 2025. These differences are due to some items not taken while reporting to banks due to a grouping mismatch. Further, the said subsidiary company has not yet filed the returns for the quarter ended 31 Mar 2026.

(j) None of the Indian companies in the Group has been declared as wilful defaulter by any bank or financial institution or government or any government authority.

19. OTHER FINANCIAL LIABILITIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Other non-current financial liabilities at amortised cost		
Voluntary retirement scheme compensation	7.03	31.05
Derivative liability	32.50	32.50
Gross liability on written put option#	3,294.72	-
Security deposits	22.99	131.83
Total	**3,357.24**	**195.38**
Other current financial liabilities at amortised cost		
Payables for capital goods	1,158.51	855.03
Security deposits	212.42	211.71
Directors commission	29.20	31.00
Investor Education and Protection Fund (as and when due)*		
- Unpaid dividend	40.69	109.45
- Unpaid matured deposits	0.04	0.04
Voluntary retirement scheme compensation	24.02	84.50
Payable to Customers	304.29	211.15
Others***	354.96	151.15
Total	**2,124.13**	**1,654.03**

* The Holding Company has declared interim as well as final dividends in past years. Though a large portion of this dividend has been paid to members of the Company, an amount of ₹ 0.13 million (March 31, 2025: ₹ 0.13 million) has been pending over the period. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unclaimed dividend shall be remitted online to the Investor Education and Protection Fund ('IEPF') along with a statement in the relevant form, containing details of shareholders. Considering that all the particulars required for filing are unavailable, the holding company has not transferred the unclaimed dividend to IEPF and the relevant funds are available in separate bank accounts **(Refer Other Bank Balances in note 13).**

\# During the year, JS Auto Cast Foundry India Private Limited has issued 14,25,795 compulsory convertible preference shares ("CCPS") to PI OPPORTUNITIES FUND I SCHEME II, at an issue price of 2,104.09 per share, which amounts to ₹ 3,000 million. The CCPS are issued for a tenor of 20 years, carry a conversion option at any time during the tenor at the option of the investor. The holder of each CCPS is entitled to a preferential dividend at the rate of 0.001% per year on a non-cumulative basis for all the CCPS till such time that the CCPS are outstanding. Under the above arrangement, the Group will be required to provide various options to enable the Investor to exit over a period of time. In the event that such exit events do not occur, the Investor may require the parent company to buy them out at fair value as on the date of exit. Such an obligation to provide exit to the Investors required the Group to record a financial liability towards

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

19. OTHER FINANCIAL LIABILITIES (CONTD.)

gross obligation in the consolidated financial statements in accordance with the Indian Accounting Standards (Ind AS). The Group has elected an accounting policy choice to follow an anticipated acquisition method on initial recognition which requires recognition of a gross obligation liability with a corresponding derecognition of non-controlling interest balance in its consolidated financial statements. Further, in accordance with the generally accepted accounting principles, the Group has made an accounting policy choice to present any subsequent change in the fair value of gross obligation liability in other equity. The fair value of the gross obligation is computed using the underlying share price of the unlisted subsidiary which is determined based on the discounted cash flow approach and other factors.

*** Other include commission payable and other liabilities.

19 (A). DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	848.92	67.45
Cross currency swap	733.44	
Total	**1,582.36**	**67.45**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	2,608.57	48.00
Cross currency swap	493.54	-
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	-	89.57
Total	**3,102.11**	**137.57**

Derivative instruments at fair value through OCI reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR) and the negative change in cross-currency swaps through which the Company has converted one of its long-term INR Non-Convertible Debentures and two of its term loans into a Euro.

20. PROVISIONS

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Provisions for employee benefits		
Provision for gratuity [Refer note 40]	852.32	351.54
Provision for special gratuity [Refer note 40]	194.78	198.27
Provision for leave benefits	51.40	19.16
Provision for pension and similar obligation [Refer note 40]	1,470.66	1,298.95
Provision for jubilee scheme [Refer note 40]	80.19	69.13
Provision for early retirement [Refer note 40]	56.83	70.99
Provision for employee's provident fund [Refer note 40]	9.05	71.85
Provision for manpower cost optimisation & other benefits	107.11	112.36
Other Provisions		
Provision for warranties**	84.28	-
Total	**2,906.62**	**2,192.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

20. PROVISIONS (CONTD.)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Provisions for employee benefits		
Provision for gratuity [Refer note 40]	280.02	154.92
Provision for special gratuity [Refer note 40]	14.26	12.79
Provision for leave benefits	756.25	747.63
Provision for pension and similar obligation [Refer note 40]	48.09	53.35
Provision for manpower cost optimisation & other benefits	253.21	71.99
Other Provisions		
Provision for warranties**	718.92	842.06
Provision for commitment	32.50	62.26
Provision for onerous contracts*	0.22	0.86
Total	**2,103.47**	**1,945.86**

* In the case of one of the subsidiaries of the Group, the erstwhile management had entered into contracts with various customers, which have been classified as onerous on account of cost overruns and delays in timely execution. Accordingly, a provision for expected losses on such contracts has been recognised to the extent of the present obligation under the contract.

** **Provision for warranties**
Provision for assurance-type warranties predominantly covers risk arising from expected claims for damages on the products sold by the Group, based on the expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. These claims are expected to be settled in the next financial year.

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	842.06	456.01
Arising/acquired during the year	135.46	391.45
Utilised/reversed during the year	(174.32)	(5.40)
At the end of the year	**803.20**	**842.06**

Provision for onerous contracts

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.86	8.39
Add: Provision made during the year	-	-
Less: Provision reversed during the year	(0.64)	(7.53)
Balance at the end of the year	**0.22**	**0.86**

Provision for manpower cost optimisation & other benefits

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	184.35	233.06
Add: Created during the year	221.66	-
Less: Utilised/reversed during the year	(63.99)	(49.83)
Less: Foreign currency transaction reserve	18.30	1.12
Closing balance	**360.32**	**184.35**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

21. INCOME AND DEFERRED TAXES

The major components of income tax expense/(income) recognised for the year ended March 31, 2026 and March 31, 2025 are:

Statement of profit and loss:

Profit or loss section

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current income tax:		
Current income tax charge	5,701.41	5,994.80
Tax for prior years	(95.34)	(146.26)
Deferred tax		
Relating to origination and reversal of temporary differences	171.67	(423.04)
Income tax expense reported in the statement of profit and loss	**5,777.74**	**5,425.50**

OCI section

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax related to items recognised in OCI:		
Net movement on cash flow hedges	(1,338.69)	(267.78)
Net loss on re-measurement of defined benefit plans	(59.85)	(46.81)
Net (loss)/gain on FVTOCI equity securities	71.58	(5.57)
Tax charged/(credit) to OCI	**(1,326.96)**	**(309.02)**

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before tax from operations	16,671.72	14,558.25
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2025: 25.168%)	4,195.94	3,664.02
Exceptional items not deductible	210.20	-
Tax impact of losses on which deferred tax asset is not recognised	1,426.83	1,622.12
Effect of differential rates	(31.07)	68.37
Adjustments in respect of reversal of tax expenses of earlier years	130.06	(146.26)
Other disallowances (including consolidation adjustments)	(154.21)	217.26
At the effective income tax rate of 34.66% (March 31, 2025: 37.26%)	**5,777.74**	**5,425.50**
Income tax expense reported in the statement of profit and loss	**5,777.74**	**5,425.50**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

21. INCOME AND DEFERRED TAXES (CONTD.)

Major components of deferred tax as at March 31, 2026 and March 31, 2025:

Deferred tax liability (net)

In ₹ Million

Particulars	Balance Sheet	
	As at March 31, 2026	As at March 31, 2025
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	1,493.56	1,602.97
Right-of-use Assets related	623.31	689.02
Fair valuation of cash flow hedges	-	188.01
Fair valuation of FVTOCI equity securities	181.57	236.42
Temporary differences in accounting treatment as required by Income tax standards	(2,083.20)	(1,518.14)
Total deferred tax liability	**215.24**	**1,198.28**

Deferred tax asset (net)

In ₹ Million

Particulars	Balance Sheet	
	As at March 31, 2026	As at March 31, 2025
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	75.02	86.35
Lease liabilities related	(752.67)	(790.23)
Fair valuation of cash flow hedges	(1,117.70)	-
Temporary differences in accounting treatment as required by Income tax standards	760.56	114.21
Unrealised profit on inventory	(1,087.20)	(1,311.76)
Total deferred tax asset	**(2,121.99)**	**(1,901.43)**

Major components of deferred tax for the year ended March 31, 2026 and March 31, 2025:

Deferred tax expense/(income)

In ₹ Million

Particulars	Statement of Profit and Loss	
	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	120.74	247.91
Unrealised profit on inventory	224.55	0.90
Temporary differences in accounting treatment as required by Income tax standards	(206.62)	(671.85)
Deferred tax expense/(credit)	**171.67**	**(423.04)**

Reflected in the balance sheet as follows

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets	(1,278.32)	(592.70)
Deferred tax liabilities	1,493.56	1,790.98
Deferred tax liabilities (net)	**215.24**	**1,198.28**
Deferred tax assets	(1,079.31)	(1,987.78)
Deferred tax liabilities	(1,042.68)	86.35
Deferred tax assets (net)*	**(2,121.99)**	**(1,901.43)**

* Relates to temporary differences arising in different tax jurisdiction

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

21. INCOME AND DEFERRED TAXES (CONTD.)

Reconciliation of deferred tax liabilities and assets

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Reconciliation of deferred tax liabilities (net)		
Opening balance	1,198.28	1,690.49
Tax (expense) during the period recognised in profit or loss	(143.07)	(195.97)
Deferred tax liabilities on hedge	(1,338.69)	(267.78)
Deferred tax liabilities on business combination	56.87	-
Tax income during the period recognised in OCI	(26.43)	(28.46)
Other adjustments	468.28	-
Closing balance	**215.24**	**1,198.28**
Reconciliation of deferred tax assets (net)		
Opening balance	(1,901.43)	(1,651.64)
Tax income/(expense) during the period recognised in profit or loss	281.74	(227.07)
Tax (expense)/income during the period recognised in OCI	38.16	(12.78)
Other adjustments	(540.46)	(9.94)
Closing balance	**(2,121.99)**	**(1,901.43)**

(a) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) The Group has tax losses which arose due to carried forward business losses in India ₹ 4,398.53 million (March 31, 2025: ₹ 4,336.78 million) that are available for offsetting for eight years against future taxable profits of the Group under the head income from business. This loss will expire in eight years from the end of the respective year to which it pertains.

(c) The Group has tax losses which arose due to carried forward business losses in the USA of ₹ 2,718.53 million (March 31, 2025: ₹ 2,457.95 million) that are available for offsetting for twenty years and ₹ 8,000.24 million (March 31, 2025: ₹ 7,622.66 million) that are available for offsetting indefinitely against future taxable profits under relevant heads of income of the companies in which the losses arose. These losses will expire in various years between tax years 2026 and 2037.

(d) The Group has tax losses which arose due to carried forward business losses in Sweden of ₹ 353.13 million (March 31, 2025: ₹ 2,715.96 million) that are available for offsetting for an indefinite period against future taxable profits under relevant heads of income of the subsidiary in which the losses arose. Also the Group has tax losses which arose due to carried forward business losses in Germany of ₹ 13,929.32 million (March 31, 2025: ₹ 9.698.51 million) that are available for offsetting for an indefinite period against future taxable profits under relevant heads of income of the subsidiaries in which the losses arose.

(e) During the years ended March 31, 2026 and March 31, 2025, the group entities incorporated in India have not surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961, (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

22. TRADE PAYABLES

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dues to micro enterprises and small enterprises	839.98	770.13
Dues to other than micro enterprises and small enterprises (including related parties payables)	29,116.63	22,671.99
Total	**29,956.61**	**23,442.12**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 60 to 90-day terms.
- Other payables (under note 19 and 23) are non-interest bearing and have an average term of 60 days
- For terms and conditions with related parties, **refer note 48.**

Trade payable includes acceptances given by the Group for invoices of its supplier which were financed by the supplier with banks.

The above amount of trade payables is net off certain advances given to suppliers (including Related parties) amounting to ₹ 720 million (March 31, 2025: ₹ 720 million). The Group currently has a legally enforceable right to set off the advance against the respective payables. The Group intends to settle these amounts on a net basis.

For Group's credit risk management processes, **refer Note 55.**

Trade payables Ageing
As at March 31, 2026

In ₹ Million

Particulars	Outstanding for following periods from due date of payment						
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	13.12	642.68	182.30	0.57	1.26	0.05	839.98
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	4,256.71	9,249.22	13,996.88	1,105.79	252.70	255.33	29,116.63
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	**4,269.83**	**9,891.90**	**14,179.18**	**1,106.36**	**253.96**	**255.38**	**29,956.61**

* Unbilled represents accrual for expenses

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

22. TRADE PAYABLES (CONTD.)

As at March 31, 2025

In ₹ Million

Particulars	Outstanding for following periods from due date of payment						
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	8.87	416.12	344.86	0.28	-	-	770.13
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	4,314.06	5,490.18	11,104.74	1,014.70	243.41	472.44	22,639.52
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	0.01	32.46	32.47
Total	**4,322.92**	**5,906.30**	**11,449.60**	**1,014.98**	**243.42**	**504.90**	**23,442.12**

* Unbilled represents accrual for expenses

23. OTHER LIABILITIES

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Non-current		
Contract liabilities		
Advances from customers$	585.55	404.65
Deferred Revenue	346.43	394.97
Government grant*	395.44	373.79
Settlement for anti-trust proceedings	-	0.01
Others**	5.29	2.90
Total	**1,332.71**	**1,176.32**
Current		
Contract liabilities		
Advances from customers$	3,384.82	3,916.00
Deferred Revenue	155.39	403.04
Employee contributions and recoveries payable	374.11	624.99
Statutory dues payable including tax deducted at source#	1,086.05	1,267.60
Government grant*	51.62	56.31
Settlement for anti-trust proceedings	1,212.63	2,307.09
Others**	606.89	714.45
Total	**6,871.51**	**9,289.48**

* Government grants include grants and subsidies for investments in property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

** Others include rent received in advance, rent equalisation reserve and miscellaneous liabilities.

$ The contract liabilities primarily relate to the advance consideration received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognised when the control is transferred to the customers.

\# Includes payable with respect to Goods and Service Tax, Gram Panchayat Tax, withholding taxes, provident fund, etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

23. OTHER LIABILITIES (CONTD.)

Government grant-investment subsidies and grants

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	430.10	497.70
Add: Received during the year	-	-
Less: Released to the statement of profit and loss	(57.10)	(75.33)
Less: Foreign currency transaction reserve	74.06	7.73
Closing balance	**447.06**	**430.10**

Break up of the financial liabilities at amortised cost

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings **[Refer note 18]**	68,746.18	62,883.87
Lease liabilities **[Refer note 43]**	4,339.97	4,098.72
Other financial liabilities **[Refer note 19]**	5,481.37	1,849.42
Trade payables **[Refer note 22]**	29,956.61	23,442.12
Total financial liabilities carried at amortised cost	**108,524.13**	**92,274.13**

24. REVENUE FROM OPERATIONS

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of products		
- Sale of goods	158,841.55	142,983.44
- Tooling income	1,148.86	903.64
Total sale of products	**159,990.41**	**143,887.08**
Sale of services		
-Job work charges	2,243.81	1,387.36
-Service type warranty	3.84	24.61
Other operating revenues		
- Manufacturing scrap	4,588.73	4,663.15
-Government grants-export incentives **[Refer note 10]**	1,255.22	1,233.82
-Sale of electricity/REC -Windmills	34.52	32.01
	5,878.47	**5,928.98**
Total Revenue from operations	**168,116.53**	**151,228.03**

Set out below is the amount of revenue recognised from

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Amounts included in contract liabilities at the beginning of the year	844.85	1,324.70
Performance obligations satisfied (or partially satisfied) in previous year	192.85	297.74

For balances in respect of contract liabilities, **refer note 23** and trade receivables **refer note 12**

For geographical revenue, **refer to Note 49.**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

24. REVENUE FROM OPERATIONS (CONTD.)

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of products	159,990.41	143,887.08
Sale of services	2,247.65	1,411.97
Manufacturing scrap	4,588.73	4,663.15
Subtotal:	**166,826.79**	**149,962.20**
Add/(less): Adjustments (sales returns, discounts, hedging etc.)	920.35	(1,633.53)
Revenue as per contracted price	**167,747.14**	**148,328.68**

25. OTHER INCOME

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend income from equity securities	9.04	8.34
Net gain/(loss) on fair valuation of financial instruments (FVTPL)	(174.64)	(768.55)
Net gain on sale of financial instruments	595.05	1,415.32
Government grants*	62.24	88.74
Liabilities/provisions no longer required written back	94.82	59.44
Interest income on assets measured at amortised cost		
-Fixed deposits and others**	633.42	691.49
Rent **[Refer note 43(b)]**	100.87	90.14
Gain on sale/discard of property, plant and equipment (net)	185.34	-
Miscellaneous income***	480.69	552.72
Total	**1,986.83**	**2,137.64**

* Includes government grant on pre-shipment credit and bill discounting where the Holding Company has availed the benefit of the interest equalisation scheme of the Reserve Bank of India. There are no unfulfilled conditions or contingencies attached to these grants.

** Includes interest on account of unwinding of security deposits and interest income on fixed income securities

*** Miscellaneous income includes sundry sale, discount received, miscellaneous recoveries, etc.

26. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Inventory at the beginning of the year **[Refer note 11]**	10,200.61	7,482.94
Add: Purchases	79,245.21	67,113.90
Less: Inventory as at end of the year **[Refer note 11]**	11,666.51	10,200.61
Total	**77,779.31**	**64,396.23**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

27. DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK IN TRADE, DIES AND SCRAP

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Inventories at the end of the year [Refer note 11]		
Work-in-progress	12,238.29	9,576.99
Finished goods [includes items lying with third parties and items in transit]	12,422.85	12,664.13
Stock of traded goods	170.98	-
Dies and dies under fabrication	324.68	236.30
Scrap	116.32	123.49
	25,273.12	**22,600.91**
Inventories at the beginning of the year [Refer note 11]		
Work-in-progress	9,576.99	10,455.38
Finished goods [includes items lying with third parties and items in transit]	12,664.13	11,010.27
Stock in trade	-	-
Dies and dies under fabrication	236.30	265.97
Scrap	123.49	98.24
	22,600.91	**21,829.86**
Total	**(2,672.21)**	**(771.05)**

28. EMPLOYEE BENEFITS EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonuses (including managing and whole-time directors' remuneration)	17,795.50	16,086.68
Contributions to provident and other funds/scheme (net) **[Refer note 40]**#	2,280.79	1,857.25
Staff welfare expenses	957.89	755.02
Total	**21,034.18**	**18,698.95**

Other funds/scheme includes contribution towards early retirement scheme and Employee State Insurance scheme

On November 21, 2025, the Government of India notified the provisions of four Labour Codes ("Labour Codes") - Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, and the Occupational Safety, Health and Working Conditions Code 2020, thereby consolidating 29 existing labour laws into a comprehensive and unified framework. The Group has evaluated the impact of these changes and certain plan amendments using the best information available and the guidance provided by the Institute of Chartered Accountants of India and accordingly accounted for the increase in gratuity liability attributable to past service costs and increase in leave liability, aggregating to ₹ 563.74 million. The Group continues to monitor the developments pertaining to the Labour Codes and will evaluate the impact, if any, on the measurement of the employee benefits liability **[Refer note 32]**.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

29. FINANCE COSTS

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on bank facilities under amortised cost method	2,658.76	3,512.09
Exchange differences regarded as an adjustment to borrowing costs*	11.83	14.72
Interest on lease liabilities **[Refer note 43]**	341.87	331.42
Others#	221.00	316.70
Total	**3,233.46**	**4,174.93**

* Represents exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

\# Others include net interest expense on defined benefit plans **[Refer note 40]**, etc.

30. DEPRECIATION AND AMORTISATION EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment **[Refer note 3]**	8,770.47	7,954.96
Amortisation on intangible assets **[Refer note 5]**	193.75	152.72
Depreciation on right of use asset **[Refer note 43]**	745.02	628.51
Total	**9,709.24**	**8,736.19**

31. OTHER EXPENSES

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores, spares and tools	5,383.46	5,692.04
Machining/subcontracting charges	5,744.74	5,068.60
Power, fuel and water*	8,904.83	8,256.32
Less: Credit for energy generated	96.41	84.00
	8,808.42	**8,172.32**
Repairs and maintenance		
-Building repairs and road maintenance	226.23	217.26
-Plant and machinery	2,147.96	1,991.63
Contract labour charges	3,636.90	2,609.93
Rent **[Refer note 43 (a)]**	242.26	268.87
Rates and taxes	369.79	357.48
Insurance	562.68	832.31
CSR Expenditure	383.98	318.90
Legal and professional fees	2,405.40	1,805.30
Commission	616.30	246.71
Donations#	3.92	226.00
Packing material	1,135.25	1,199.85
Freight and forwarding charges	4,289.34	4,722.33

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

31. OTHER EXPENSES (CONTD.)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Directors' fees and travelling expenses	31.88	31.94
Commission to directors other than managing and whole-time directors	29.20	31.00
Loss on sale/discard of property, plant and equipment (Net)	-	14.87
Provision for doubtful debts and advances (includes expected credit loss) (net)	125.94	68.52
Bad debts/advances written off/back (net)	17.18	79.91
Foreign Exchange difference (net)**	(158.36)	191.74
Payment to Auditors***	116.66	163.23
Miscellaneous expenses****	5,800.68	5,335.49
Total	**41,919.81**	**39,646.23**

* Net of government grant in the nature of energy tax refund with respect to some of the subsidiaries amounting to ₹ 87.02 million (March 31, 2025: ₹ 211.07 million)

** Includes MTM (gain)/loss of ₹ Nil (March 31, 2025: ₹ (80.77) million)

*** Includes ₹ 61.68 million (March 31, 2025: ₹ 135.95 million) paid to subsidiary auditors

**** Miscellaneous expenses includes travelling expenses, printing, stationery, postage, telephone, royalty, warranty, etc.

\# Includes political contributions amounting to ₹ 220 million through an Electoral Trust made under Section 182 of the Companies Act during the year ended March 31, 2025.

Capitalisation of expenditure

The Group has capitalised the following expenses for Property, plant and equipment/capital work in progress(CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on bank facilities	397.12	308.60
Salaries, wages and bonus	191.52	90.83
Total	**588.64**	**399.43**

32. EXCEPTIONAL ITEMS

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Impact of labour code **[(Refer note 28]**	(557.15)	-
Expenses incurred for restructuring of steel forging operations in Germany **[Refer note 32(a)]**	(425.64)	-
Manpower optimisation Cost **[Refer note 32(b)]**	(156.65)	-
Impairment of assets related to electric mobility business **[Refer note 32(c)]**	(404.99)	-
Impairment of Goodwill **[Refer note 32(d)]**	-	(53.00)
Provision for Impairment of electric bike CGU **[Refer note 32(e)]**	-	(1,517.65)
Total	**(1,544.43)**	**(1,570.65)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

32. EXCEPTIONAL ITEMS (CONTD.)

(a) Expenses incurred for the restructuring of steel forging operations in Germany

Expenses incurred in relation to the restructuring of the steel forging operations of Bharat Forge CDP GmbH, Germany.

(b) Manpower optimisation Cost

During the year, Bharat Forge CDP GmbH, as a cost optimisation initiative, has recorded for cost redundancy of ₹ 156.65 million in respect of identified employees during the quarter and year ended March 31, 2026.

(c) Impairment of assets related to electric mobility business

During the year, Kalyani Powertrain Limited has recognised a provision for impairment in the value of capital work in progress and inventories of ₹ 135.54 million and ₹ 51.61 million, respectively.

(d) Impairment of Goodwill

During the previous year, Kalyani Strategic Systems Limited recognised an impairment loss of ₹ 53 Million on goodwill recognised on the acquisition of the embedded systems business.

(e) Impairment of Electric Bike CGU

Kalyani Powertrain Limited (KPTL), a wholly-owned subsidiary of the Holding Company, holds 64.29% equity shares of Tork Motors Pvt Ltd (TMPL) which is engaged in the manufacturing of electric bikes, which is part of a separate cash-generating unit (CGU) as defined by Ind AS 36. During the previous year, in light of developments in the two-wheeler EV market and its adverse impact on TMPL operations, a provision for impairment of ₹ 1,517.65 million was recognised in consolidated financial statements for the year ended March 31, 2025.

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Property Plant & Equipment **(Refer Note 3)**	-	419.50
Goodwill **(Refer Note 5)**	-	283.42
Other intangible assets **(Refer Note 5)**	-	447.13
Inventory	-	214.12
Other Financial Assets	-	4.56
Trade Receivables	-	7.24
Other Assets	-	141.67
Impairment Loss	**-**	**1,517.65**

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below:

During the year ended March 31, 2026

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI Reserve	Retained earnings	Foreign currency translation differences	Income tax/ Deferred tax effect	Total
Currency forward contracts	(4,694.15)				1,183.02	(3,511.13)
Effective portion of gains/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	(618.52)				155.67	(462.85)
Gain/(loss) on FVTOCI financial assets		(1,869.02)			54.85	(1,814.17)
Re-measurement gains/(losses) on defined benefit plans (including share of associate, joint ventures)			237.27		(66.58)	170.69
Foreign exchange translation difference				2,205.34		2,205.34
Total	**(5,312.67)**	**(1,869.02)**	**237.27**	**2,205.34**	**1,326.96**	**(3,412.12)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI) (CONTD.)

During the year ended March 31, 2025

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI Reserve	Retained earnings	Foreign currency translation differences	Income tax/ Deferred tax effect	Total
Currency forward contracts	77.78	-	-	-	(20.30)	57.48
Effective portion of gains/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	(1,138.14)	-	-	-	288.08	(850.06)
Loss on FVTOCI financial assets	-	(51.09)	-	-	(8.65)	(59.74)
Re-measurement gains/(losses) on defined benefit plans (including share of associate, joint ventures)	-	-	(185.98)	-	49.89	(136.09)
Foreign exchange translation difference	-	-	-	432.60	-	432.60
Total	(1,060.36)	(51.09)	(185.98)	432.60	309.02	(555.81)

34. EARNINGS PER SHARE

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
Numerator for basic and diluted EPS			
Net profit after tax attributable to owners of parent company (in ₹ million)	**(A)**	10,796.61	9,411.53
Denominator for basic EPS [Refer note 15(b)]			
Weighted average number of equity shares for basic EPS	**(B)**	478,088,632	469,458,495
Denominator for diluted EPS [Refer note 15(b)]			
Weighted average number of equity shares for diluted EPS	**(C)**	478,088,632	469,458,495
Basic earnings per share of face value of ₹ 2 each (in ₹)	**(A/B)**	22.58	20.05
Diluted earnings per share of face value of ₹ 2 each (in ₹)	**(A/C)**	22.58	20.05

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, Group management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

1) Leases

Determining the lease term of contracts with renewal and termination options–Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or to terminate the lease. Accordingly, it considers all relevant factors that create an economic incentive for it to exercise either the renewal

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

1) Leases (contd.)

or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable periods (i.e. three to five years). The Company typically exercises its option to renew these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, renewal options for motor vehicle leases are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 43 for information on potential future rental payments relating to periods following the exercise dates of extension and termination options that are not included in the lease term.

Property lease classification–Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

2) Derivative contracts

The holding company enters into foreign exchange forward contracts to hedge its exposure to foreign currency risk of highly probable forecasted sales. The outstanding contracts at each reporting date are measured at fair value through OCI and derivative assets/liabilities are recognised accordingly. Due to changes in risks and estimates during the lifecycle of customer contracts, to apply hedge accounting, management is required to demonstrate that the underlying contract is considered to be a highly probable transaction and that the hedges are highly effective, and maintain hedge documentation. The management has exercised judgement to determine that the underlying contracts are highly probable and accordingly the hedge is effective.

3) Embedded derivative

The Group has entered into certain hybrid contracts i.e. where an embedded derivative is a component of a non-derivative host contract, in the nature of financial liability. The Group has exercised judgement to evaluate if the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host. Based on the evaluation, the Group has concluded that these economic characteristics and risks of the embedded derivatives are closely related to the economic characteristics and risks of the host and thus not separated from the host contract and not accounted for separately.

4) Control assessment for Joint ventures

In assessing the power over the investee for control evaluation, the Group has exercised judgement in considering certain rights given to the co-venturer in a joint venture arrangement/shareholders' agreement as either substantive or protective rights. The Group has evaluated if the rights are designed to protect the interests of their holder without giving that party power over the investee to which those rights relate, in which case, it is considered as protective right not considered in the control assessment for joint ventures.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

5) Share of profit/loss of Associates and Joint ventures

In case of loss-making associates and joint ventures, the Group discontinues to absorb its share of losses once the carrying amount of the relevant investment becomes NIL. However, if there are other long-term interests that in substance form part of the investor's net investment in an associate or joint venture, then the group continues to absorb its share of losses against such long-term interests. The Group has used judgement to determine if it is legally or constructively obliged to make payments on behalf of the associate or joint venture.

6) Revenue from contracts with customers

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

I. Identifying contract with customers

The Group enters into Master Service Agreement ('MSA') with its customers which defines the key terms of the contract with customers. However, the rates for the quantity to be supplied are separately agreed upon through purchase orders. Management has exercised judgment to determine that the contract with customers for the purpose of Ind AS 115 is MSA and customer purchase orders for purpose of identification of performance obligations and other associated terms.

II. Identifying performance obligation

The Group enters into a contract with customers for tooling income and the sale of goods. The Group determined that both the tooling income and the goods are capable of being distinct. The fact that the Group regularly sells these goods on a standalone basis indicates that the customer can benefit from it on an individual basis. The Group also determined that the promises to transfer these goods are distinct within the context of the contract. These goods are not input to a combined item in the contract. Hence, the tooling income and the sale of goods are separate performance obligations.

III. Determination of timing of satisfaction of performance obligation for sale of products

The Group concluded that tooling income and the sale of goods are to be recognised at a point in time because they do not meet the criteria for recognising revenue over a period of time. The Group has applied judgement in determining the point in time when the control of the tooling income and goods are transferred based on the criteria mentioned in the standard, read along with the contract with customers, applicable laws and considering the industry practices which are as follows:

a. Sale of goods

The goods manufactured are "Build to print" as per the design specified by the customer for which the tools/dies are approved before commercial production commences. Further, the dispatch of goods is made on the basis of purchase orders obtained from the customer, taking into account the just-in-time production model with the customer.

b. Tooling income

Tools are manufactured as per the design specified by the customer which is approved on the basis of the customer acceptance of prototypes or sample production. Management has used judgement in identification of the point in time where the tools are deemed to have been accepted by the customer.

7) Factoring arrangement

One of the Group subsidiaries has entered into a factoring arrangement. Based on the terms agreed with the counterparty, it is considered a non-recourse arrangement and accordingly, the respective trade receivable balance has been derecognised as per the terms of the agreements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations

The Group has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cash flows. The legal team regularly analyses current information about these matters and assesses the requirement for probable loss provision including estimates of legal expenses to resolve such matters. In making the decision regarding the need for loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a lawsuit or formal assertion of a claim against the group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate. Considering the facts on hand and the current stage of certain ongoing litigations, the Group foresee a remote risk of any material claim arising from claims against the Group. Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Holding Company and its subsidiaries.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A. Impairment of non-financial assets including property, plant and equipment, goodwill and other intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset. Unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less disposal costs, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators, as the case may be.

B. Warranty

Provision for assurance-type warranties predominantly covers risk arising from expected claims for damages on products sold by the Group, based on the expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty-related costs is revised annually. The Group usually provides an assurance-type warranty for a period of two years. The Group also provides a warranty beyond fixing defects to ensure that the products are available for a predefined period during the warranty tenure. These are classified as service-type warranties. Refer to the accounting policy on service type warranty.

Service type warranty

Apart from assurance-type warranties covered in warranty provisions, the Group also provides a warranty beyond fixing defects to ensure that the products are made available for a predefined period during the warranty tenure. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations (contd.)

portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

C. Defined benefit plans

The cost of the defined benefit gratuity plans, other defined benefit plans and other post-employment plans is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected return on planned assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables based on the country where the entity operates. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates of the respective country.

Further details about defined benefit plans are given in Note 40.

D. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 51 for further disclosures.

E. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Group also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Holding Company has investments in associates and joint ventures as at the reporting period. The management is required to check, at least annually, the existence of impairment indicators for each investment. The evaluation of assessment for impairment and methodology for assessing and determining the recoverable amount of each investment are based on complex assumptions. It involves management's judgement with respect to the identification of impairment indicators for each investment and estimates regarding the projected cash flows, long-term growth rate and discounting rate used in valuation models. A sensitivity analysis is also performed to check the impact of changes in the key variable on the valuation.

F. Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Further details on taxes are disclosed in note 21.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations (contd.)

G. Provision for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves a comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete, slow-moving and items where net realisable value is below cost. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

H. Estimating the incremental borrowing rate to measure lease liability

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the lease terms and conditions. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

36. GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

	Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
				March 31, 2026	March 31, 2025	
1)	**Bharat Forge Global Holding GmbH and its wholly-owned subsidiaries**	Holding	Germany	100%	100%	March 31
i.	Bharat Forge Holding GmbH and its wholly owned subsidiaries	Holding	Germany	100%*	100%*	March 31
	a) Bharat Forge Aluminiumtechnik GmbH	Forging	Germany	100%*	100%*	March 31
ii.	Bharat Forge Kilsta AB	Forging	Sweden	100%*	100%*	March 31
iii.	Bharat Forge CDP GmbH and its wholly owned subsidiary	Forging	Germany	100%*	100%*	March 31
	a) Bharat Forge Daun GmbH	Die Manufacturing	Germany	100%*	100%*	March 31
iv.	Mecanique Generale Langroise	Machining	France	100%*	100%*	March 31
2)	**Bharat Forge America Inc. and its wholly owned subsidiaries**	Holding	U.S.A	100%	100%	March 31
i.	Bharat Forge PMT Technologie LLC	Forging	U.S.A	100%*	100%*	March 31
ii.	Bharat Forge Tennessee Inc.	Others	U.S.A	100%*	100%*	March 31
iii.	Bharat Forge Aluminium USA, Inc.	Forging	U.S.A	100%*	100%*	March 31
3)	**Bharat Forge International Limited**	Forging	U.K.	100%	100%	March 31
4)	**Kalyani Strategic Systems Limited and its subsidiaries**	Defence	India	100%	100%	March 31
i.	Kalyani Rafael Advanced Systems Private Limited**	Defence	India	50%*	50%*	March 31
ii.	Sagar Manas Technologies Limited	Defence	India	51%*	51%*	March 31
iii.	Kalyani Strategic Systems Australia Pty Limited$	Defence	Australia	NA	NA	March 31
iv.	Zorya Mashproekt India Private Limited	Defence	India	64.94%*	64.94%*	March 31

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

36. GROUP INFORMATION (CONTD.)

	Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
				March 31, 2026	March 31, 2025	
v.	Agneyastra Energetics Limited (w.e.f. July 02, 2025)	Defence	India	100%*	-	March 31
vi.	Ageis Advanced Systems SL (w.e.f. July 17, 2025)	Defence	Spain	90%*	-	March 31
5)	**Kalyani Powertrain Limited and its subsidiaries**	Others	India	100%	100%	March 31
i.	Kalyani Mobility INC	Machining	U.S.A	100%*	100%*	March 31
ii.	Tork Motors Private Limited and its subsidiaries	Others	India	64.29%*	64.29%*	March 31
	a) Lycan Electric Private Limited	Others	India	64.29%*	64.29%*	March 31
iii.	Electroforge Limited	Others	India	100%*	100%*	March 31
6)	**BF industrial Solutions Limited and its wholly owned subsidiaries**	Others	India	100%	100%	March 31
i.	BF Industrial Technology & Solutions Limited and its subsidiaries	Others	India	100%*	100%*	March 31
	a) Sanghvi Europe B.V.	Machining	Netherlands	100%*	100%*	March 31
ii.	JS Auto Cast Foundry India Private Limited	Casting	India	100%^	100%*	March 31
7)	**BF Infrastructure Limited and its subsidiary**	Others	India	100%	100%	March 31
i.	Ferrovia Transrail Solutions Private Limited	Projects	India	100%*	100%*	March 31
ii.	BFIL CEC-JV	Projects	India	74%*	74%*	March 31
8)	**Kalyani Lightweighting Technology Solutions Limited**	Others	India	100%	100%	March 31
9)	**Kalyani Centre for Precision Technology Limited**	Machining	India	100%	100%	March 31
10)	**BF Elbit Advanced Systems Private Limited****	Others	India	51%	51%	March 31
11)	**Eternus Performance Materials Private Limited**	Others	India	51%	51%	March 31
12)	**K Drive Mobility Solutions Private Limited (formerly AAM India Manufacturing Corporation Private Limited) (w.e.f. July 01, 2025)**	Others	India	100%	-	March 31
13)	**Indigenous IL Limited*****	Others	Israel	NA	NA	March 31

* held through subsidiaries

** based on control assessment as per Ind AS 110

*** not consolidated as the company shall stand liquidated w.e.f. May 6, 2025

$ Deregistered w.e.f. May 26, 2024

^ The issue of Compulsorily Convertible Preference shares in JS Autocast Foundry India Private Limited results in the dilution of the stake of BF Industrial Solutions Limited to 77.00%. However, the arrangement does not give power to the Investor to influence the operating decisions of the company nor does the investor have any direct interest in having any such interest. Hence, the equity interest has been considered 100%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

36. GROUP INFORMATION (CONTD.)

Details of the Group's ownership interest in associates are as follows:

	Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
				March 31, 2026	March 31, 2025	
1)	Talbahn GmbH (not consolidated)	Others	Germany	35%*	35%*	March 31
2)	Aeron Systems Private Limited	Others	India	37.14%*	37.14%*	March 31
3)	Avaada MHVidarbha Private Limited	Others	India	26%	26%	March 31
4)	Edgelab S.p.A. (w.e.f. December 18, 2024)	Others	Italy	25%	25%	December 31

* held through subsidiaries

Joint arrangement in which the Group is a joint venturer

	Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
				March 31, 2026	March 31, 2025	
1)	BF NTPC Energy Systems Limited**	Projects	India	51%	51%	March 31
2)	Refu Drive GmbH	Others	Germany	50%	50%	March 31
	i) Refu Drive India Private Limited	Others	India	50%	50%	March 31

* held through subsidiaries

** Shareholders of the Joint Venture Company decided to voluntarily liquidate the joint venture at their EGM held on October 9, 2018

37. MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests based on Consolidated Financial Statements is provided below:

Proportion of equity interest held by non-controlling interests:

Particulars	Country of incorporation	% equity interest	
		March 31, 2026	March 31, 2025
Kalyani Rafael Advanced Systems Private Limited	India	50%	50%
BF Elbit Advanced Systems Limited	India	49%	49%
Eternus Performance Materials Private Limited	India	49%	49%
Tork Motors Private Limited	India	35.71%	35.71%
Lycan Electric Private Limited (Lycan)	India	35.71%	35.71%
Sagar Manas Technologies Limited	India	49%	49%
Zorya Mashproekt India Private Limited	India	35.06%	35.06%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Information regarding non-controlling interest

In ₹ Million

Particulars	March 31, 2026	March 31, 2025
Accumulated balances of material non-controlling interest:		
Kalyani Rafael Advanced Systems Private Limited	398.28	290.52
BF Elbit Advanced Systems Limited	(105.30)	(93.39)
Eternus Performance Materials Private Limited	(0.58)	(2.58)
Tork Motors Private Limited (including Lycan)	(522.58)	(522.58)
Zorya Mashproekt India Private Limited	0.92	0.92
Sagar Manas Technologies Limited	(0.89)	(0.42)
Total Comprehensive income allocated to material non-controlling interest:		
Kalyani Rafael Advanced Systems Private Limited	107.76	70.23
BF Elbit Advanced Systems Limited	(11.91)	(10.87)
Eternus Performance Materials Private Limited	2.00	0.91
Tork Motors Private Limited (including Lycan)	-	(338.23)
Zorya Mashproekt India Private Limited	-	(0.52)
Sagar Manas Technologies Limited	(0.47)	(0.30)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended March 31, 2026

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Reporting periods	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026	April 1, 2025 to March 31, 2026
Revenue	-	-	3,354.98	-	32.50	
Other income	-	-	32.74	-	-	
Cost of raw materials and components consumed	-	-	1,832.67	-	7.00	
Purchase of stock in trade	-	0.37	828.79	-	-	
(Increase)/decrease in inventories of finished goods, work-in-progress, stock in trade, dies & scrap	-	-0.37	50.36	-	3.85	
Employee benefits expenses	-	-	38.56	-	5.58	
Depreciation and amortisation expenses	-	-	24.82	2.01	0.08	
Finance costs	-	0.50	5.18	22.14	0.41	-
Other expenses	-	0.45	320.80	0.16	11.50	
Profit/(loss) before tax and exceptional items	**-**	**(0.95)**	**286.54**	**(24.31)**	**4.08**	**-**
Exceptional items						
Profit/(loss) before tax	**-**	**(0.95)**	**286.54**	**(24.31)**	**4.08**	**-**
Tax Expense		-	71.03			
Profit/(loss) for the year	**-**	**(0.95)**	**215.51**	**(24.31)**	**4.08**	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Other Comprehensive Income:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Re-measurement gain/(losses) on defined benefit plans		-	-	-		
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(0.95)	215.51	(24.31)	4.08	-
Total Comprehensive Income/(loss) attributable to non-controlling interests	-	(0.47)	107.76	(11.91)	2.00	-
Profit/(loss) attributable to non-controlling interests	-	(0.47)	107.76	(11.91)	2.00	-
Other comprehensive Income/(loss) attributable to non-controlling interests	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-

Summarised statement of profit and loss for the year ended March 31, 2025

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Reporting periods	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025
Revenue	5.90	-	3,180.88	-	12.28	14.81
Other income	0.03	-	53.14	0.01	0.56	0.66
Cost of raw materials and components consumed	-	-	303.52	-	2.85	45.43
Purchase of stock in trade	-	-	2,323.73	-	-	-
(Increase)/decrease in inventories of finished goods, work-in-progress, traded goods, dies & scrap	-	-	197.87	-	(2.31)	16.94
Employee benefits expenses	5.82	-	30.21	-	5.15	92.36
Depreciation and amortisation expenses	-	-	22.58	2.01	0.45	41.05
Finance costs	0.02	0.41	6.68	20.05	0.47	54.17
Other expenses	1.56	0.21	158.37	0.14	4.37	45.95
Profit/(loss) before tax and exceptional items	**(1.47)**	**(0.62)**	**191.06**	**(22.19)**	**1.86**	**(280.43)**
Exceptional items	-	-	-	-	-	666.72
Profit/(loss) before tax	**(1.47)**	**(0.62)**	**191.06**	**(22.19)**	**1.86**	**(947.15)**
Tax Expense		-	-50.60	-	-	-
Profit/(loss) for the year	**(1.47)**	**(0.62)**	**140.46**	**(22.19)**	**1.86**	**(947.15)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Other Comprehensive Income:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Re-measurement gain/(losses) on defined benefit plans						
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income/(loss)	(1.47)	(0.62)	140.46	(22.19)	1.86	(947.15)
Total Comprehensive Income/(loss) attributable to non-controlling interests	(0.52)	(0.30)	70.23	(10.87)	0.91	(338.23)
Profit/(loss) attributable to non-controlling interests	(0.52)	(0.30)	70.23	(10.87)	0.91	(338.23)
other comprehensive Income/(loss) attributable to non-controlling interests	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-

** Non-controlling interest is calculated at consolidated level for Tork Motors Private Limited and Lycan Electric Private Limited

Summarised balance sheet as at March 31, 2026:

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited*	Tork Motors Private Limited**
Trade receivables, inventories and cash and bank balances (current)	2.67	0.94	1,949.73	8.96	29.35	5.75
Property, plant and equipment and other non-current financial and non-financial assets	0.09	0.02	1,414.18	11.93	13.23	32.61
Trade and other payables (current) and (non-current)	0.02	(2.79)	(2,573.11)	(0.37)	(17.71)	(1,072.91)
Interest-bearing loans and borrowing and deferred tax liabilities (current) and (non-current)	(0.17)	-	-	(235.44)	(23.08)	(585.00)
Total equity	**2.61**	**(1.83)**	**790.80**	**(214.92)**	**1.79**	**(1,619.55)**
Attributable to:						
Equity holders of the parent company	1.69	(0.94)	392.52	(109.62)	2.37	(1,096.97)
Non-controlling interest	0.92	(0.89)	398.28	(105.30)	(0.58)	(522.58)

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Summarised balance sheet as at March 31, 2025:

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited*	Tork Motors Private Limited**
Trade receivables, inventories and cash and bank balances (current)	2.67	-	2,428.87	8.90	14.02	5.75
Property, plant and equipment and other non-current financial and non-financial assets	0.09	-	99.12	13.94	21.13	32.61
Trade and other payables (current) and (non-current)	0.02	(0.87)	(1,952.69)	(20.85)	(14.16)	(1,114.76)
Interest-bearing loans and borrowing and deferred tax liabilities (current) and (non-current)	(0.17)	-	-	(192.59)	(23.37)	(543.15)
Total equity	**2.61**	**(0.87)**	**575.30**	**(190.60)**	**(2.38)**	**(1,619.55)**
Attributable to:						
Equity holders of the parent company	1.69	(0.45)	284.78	(97.22)	0.20	(1,096.97)
Non-controlling interest	0.92	(0.42)	290.52	(93.39)	(2.58)	(522.58)

* The share of total equity of non-controlling interest in the case of Eternus Performance Materials Private Limited includes accumulated losses for the pre-acquisition period

** Non-controlling interest is calculated at the consolidated level for Tork Motors Private Limited and Lycan Electric Private Limited

Summarised cash flow information for the year ended March 31, 2026:

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Operating	-	0.19	556.23	(22.37)	-	-
Investing	-	-	(771.77)	22.37	-	-
Financing	-	-	(10.75)	-	-	-
Net increase/(decrease) in cash and cash equivalents	**-**	**0.19**	**(226.29)**	**-**	**-**	**-**

Summarised cash flow information for the year ended March 31, 2025:

In ₹ Million

Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Operating	(3.13)	-	382.29	(75.41)	1.20	(30.14)
Investing	-	-	(87.15)	-	(0.47)	121.41
Financing	(0.26)	-	(11.37)	75.41	(0.68)	(91.37)
Net increase/(decrease) in cash and cash equivalents	**(3.40)**	**-**	**283.77**	**-**	**0.04**	**(0.10)**

** Non-controlling interest is calculated at the consolidated level for Tork Motors Private Limited and Lycan Electric Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

38. INTEREST IN JOINT VENTURES

Refu Drive GmbH

The Group has acquired 50% interest in Refu Drive Gmbh on September 19, 2019, a joint venture incorporated in Germany, involved in manufacturing and selling on board controllers and components mainly - drives, invertors, convertors (including AC/DC) and all kind of auxiliary applications, related power electronics and battery management (BMS) etc. for all quality of e-mobility vehicles viz, hybrid and electric 2-wheelers, 3-wheelers, cars and commercial vehicles along with its wholly-owned subsidiary "Refu India Private Limited, India". The Group's interest in Refu Drive GmbH is accounted for using the equity method in the consolidated financial statements. On August 22, 2024, the holding Company transferred 12,500 Equity shares having a face value of Euro 100/- each of Refu Drive GmbH to Kalyani Powertrain Limited at a fair value of Euro 920.74/- per share, amounting to ₹ 1,054.15 million in the form of infusion to the capital reserve for a consideration in cash. Further, on December 31, 2024, an additional investment of ₹ 69.46 million was made by Kalyani Powertrain Limited. Summarised financial information of the joint venture, based on its consolidated financial statements for the period April 1, 2025 to March 31, 2026 is as follows.

Summarised balance sheet

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Current assets	403.20	419.17
Non-current assets	158.16	161.77
Current liabilities	(700.14)	(628.88)
Non-current liabilities	(16.98)	(11.45)
Equity	**(155.75)**	**(59.39)**
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	312.83	409.26

The Group has invested an amount of ₹ 988.63 million (March 31, 2025: ₹ 988.63 million) in equity shares. The Group's Share of equity is ₹ (114.04) million (March 31, 2025: ₹ (29.70) million).

Summarised statement of profit and loss for the year ended:

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Income		
Revenue	201.28	1,480.19
Other income	0.70	112.30
	201.98	**1,592.49**
Expenses		
Cost of raw material and components consumed	-	-
Purchase of stock in trade	106.83	798.56
(Increase)/decrease in inventories of finished goods, work-in-progress, dies and scrap	(2.50)	36.18
Employee benefits expenses	77.26	506.29
Depreciation and amortisation	8.41	47.26
Finance costs	0.20	1.05
Other expenses	58.98	313.14
	249.18	**1,702.48**
Profit/(Loss) before tax	**(47.20)**	**(109.99)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

38. INTEREST IN JOINT VENTURES (CONTD.)

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Tax expenses	1.01	3.72
Profit/(Loss) for the year	**(48.21)**	**(113.71)**
Other comprehensive income/(loss) for the period	**-**	**(0.01)**
Total comprehensive income/(loss) for the period	**(48.21)**	**(113.72)**
Profit/(Loss) for the year*	**(192.85)**	**-**
Other comprehensive income/(loss) for the period*	**-**	**-**
Group's share of loss for the period	**(96.43)**	**(56.86)**
Group's share of other comprehensive income/(loss) for the period	**-**	**(0.01)**

* The figures pertain to the three-month period ended June 30, 2025. Since management accounts for the year ended March 31, 2026 are not available, the share of loss has been estimated by annualising the loss for the three-month period

39. INVESTMENT IN AN ASSOCIATES

1. Aeron Systems Private Limited

The Group owned 22.42% stake in Aeron Systems Private Limited as of March 31, 2020. Further, on August 14, 2020, an additional 3.58% stake was acquired to reach 26.00% ownership. Further, on March 9, 2021, an additional stake of 11.14% was acquired to reach total ownership of 37.14% as of March 31, 2021 as well as March 31, 2022. On February 23, 2023, the holding Company transferred 136,500 Equity shares having a face value of ₹ 10/- each of Aeron Systems Private Limited to Kalyani Strategic Systems Limited at a fair value of ₹ 1,005/- per share amounting to ₹ 137.18 million on a private placement basis for a consideration other than cash and the same shall rank pari passu with existing Equity shares of the Company. Aeron Systems Private Limited is engaged in the business of manufacturing technology products such as Inertial Navigation Systems (INS) and IoT devices for industries like Aerospace and Defence, Automotive, Renewable energy and Industry 4.0. The Group's interest in Aeron Systems Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information based on its Ind AS financial statements is as follows:

Summarised Balance Sheet

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Current assets	514.53	516.31
Non-current assets	426.87	273.36
Current liabilities	(446.76)	(405.08)
Non-current liabilities	(128.69)	(63.00)
Equity	**365.95**	**321.59**
Proportion of the Group's ownership	37.14%	37.14%
Carrying amount of the investment	**160.83**	**144.36**

The Group has invested an amount of ₹ 140.00 million (March 31, 2025: ₹ 140.00 million) in equity shares. Group's share of equity is ₹ 135.91 million (March 31, 2025: ₹ 119.44 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

39. INVESTMENT IN AN ASSOCIATES (CONTD.)

Summarised statement of profit and loss for the year/period ended:

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Income		
Revenue from operations	798.63	706.51
Other income	12.78	10.31
	811.41	**716.82**
Expenses		
Cost of Material Consumed	390.35	373.10
Changes in inventories	(2.06)	(13.78)
Employee benefit expenses	137.29	103.75
Finance cost	30.89	29.55
Depreciation and amortisation	53.53	52.84
Other expenses	114.91	94.91
Profit before tax	**86.50**	**76.45**
Income tax expense		
Current tax	(39.64)	(30.79)
Deferred tax	(2.46)	3.00
Profit for the year	**44.40**	**48.66**
Other comprehensive (loss) for the year	**(0.06)**	**(1.03)**
Total comprehensive income for the year	**44.34**	**47.63**
Group's share of Profit for the year	**16.49**	**18.07**
Group's share of other comprehensive income/(loss) for the year	**(0.02)**	**(0.61)**

2. Avaada MHVidarbha Private Limited

The Group has acquired 26% stake in Avaada MHVidarbha Private Limited on April 14, 2022. Avaada MHVidarbha Private Limited is involved in the production, collection and distribution of electricity. The Group's interest in Avaada MHVidarbha Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information based on its Ind AS financial statements is as follows:

Summarised Balance Sheet

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Current assets	152.77	112.08
Non-current assets	1,334.67	1,382.79
Current liabilities	(86.10)	(68.42)
Non-current liabilities	(946.12)	(981.42)
Equity	**455.22**	**445.03**
Proportion of the Group's ownership	26%	26%
Carrying amount of the investment	**120.11**	**117.45**

The Group has invested an amount of ₹ 113.75 million (March 31, 2025: ₹ 113.75 million) in equity shares. Group's share of equity is ₹ 118.36 million (March 31, 2025: ₹ 115.71 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

39. INVESTMENT IN AN ASSOCIATES (CONTD.)

Summarised statement of profit and loss for the year/period ended:

In ₹ Million

Particulars	March 31, 2026*	March 31, 2025
Income		
Revenue from operations	162.99	169.27
Other income	15.18	11.83
	178.17	**181.10**
Expenses		
Cost of Material Consumed	-	-
Changes in inventories	-	-
Employee benefit expenses	-	-
Finance cost	89.30	108.33
Depreciation and amortisation	45.88	45.88
Other expenses	30.65	18.90
	165.83	**173.11**
Profit before tax	**12.34**	**7.99**
Income tax expenses		
Current tax		-
Deferred tax	2.11	1.42
Profit for the year	**10.23**	**6.57**
Other comprehensive income for the year	**-**	**-**
Total comprehensive income for the year	**10.23**	**6.57**
Group's share of income for the year	**2.66**	**1.71**
Group's share of other comprehensive income for the year	**-**	**-**

3. Edgelab S.p.A.

The Group has acquired 25% stake in Edgelab S.p.A. on December 17, 2024. Edgelab is involved in the production, collection and distribution of electricity. The Group's interest in Edgelab is accounted for using the equity method in the consolidated financial statements. Summarised financial information based on its standalone financial statements is as follows:

Summarised Balance sheet

In ₹ Million

Particulars	December 31, 2025	December 31, 2024
Current assets	383.54	92.34
Non-current assets	63.29	63.70
Current liabilities	(65.51)	(89.22)
Non-current liabilities	-	(0.39)
Equity	**381.32**	**66.43**
Proportion of the Group's ownership	25%	25%
Carrying amount of the investment	**216.57**	**234.01**

The Group has invested an amount of ₹ 234.01 million (March 31, 2025: ₹ 234.01 million) in equity shares. Group's share of equity is ₹ 95.33 million (March 31, 2025: ₹ 16.61 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

39. INVESTMENT IN AN ASSOCIATES (CONTD.)

Summarised statement of profit and loss for the year/period ended:

In ₹ Million

Particulars	December 31, 2025	December 31, 2024
Income		
Revenue from operations	16.00	-
Other income	126.58	-
	142.58	**-**
Expenses		
Cost of Material Consumed	113.83	-
Changes in inventories	-3.88	-
Employee benefit expenses	76.64	-
Finance cost	0.15	-
Depreciation and amortisation	14.52	-
Other expenses	11.08	-
	212.34	**-**
Profit/(loss) before tax	**(69.76)**	**-**
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Profit/(loss) for the year	**(69.76)**	**-**
Other comprehensive income/(loss) for the year	**-**	**-**
Total comprehensive income/(loss) for the year	**(69.76)**	**-**
Group's share of income/(loss) for the year	**(17.44)**	**-**
Group's share of other comprehensive income/(loss) for the year	**-**	**-**

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Code on Social Security, 2020. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the provisions under the Code on Social Security, 2020 or as per the Company Scheme, as applicable. Vesting occurs upon completion of the contractual period of continuous years of service as defined in the Code on Social Security, 2020. The Company manages the plan through a Trust.

Risk exposure and asset-liability matching

The provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as the company takes on uncertain long-term obligations to make future benefit payments.

1) **Liability risks**

a) Asset-liability mismatch risk

Risk arises if there is a mismatch in the duration of assets relative to liabilities. By matching duration with the defined benefit liabilities, the Holding Company is able to successfully neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

b) Discount rate risk
Variations in the discount rate used to compute the present value of liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk
Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks
All plan assets are managed by the Trust and are invested in various funds (mainly LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk-averse markets. The Company has no control over the management of funds and this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured and interest rate and inflation risk are also taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plans.

The principal assumptions used in determining gratuity for the Holding Company's plan are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.30%	6.80%
Expected rate of return on plan assets	6.80%	7.20%
Rate of increase in compensation levels	7.00% - 10.00%	7.00% - 10.00%
Expected average remaining working lives (in years)	10.31*	10.46*
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is an actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the beginning of the period	1,748.15	1,451.63
Interest expense	114.87	101.70
Past service cost	507.05	104.71
Current service cost	111.19	97.29
Transfer of liability due to inter-company transfers	(46.71)	-
Benefits (paid)	(47.77)	(78.29)
Remeasurements on obligation [actuarial (gain)/loss]	(17.55)	71.11
Closing defined benefit obligation	**2,369.23**	**1,748.15**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	1,338.45	1,204.70
Interest income	94.46	88.56
Contributions	140.00	129.01
Benefits paid	(39.08)	(78.29)
Transfer In/(Out)	0.26	
Mortality Charges and Taxes	(3.13)	
Remeasurements-Return on plan assets, excluding amount included in Interest Income	0.61	(5.53)
Closing fair value of plan assets	**1,531.57**	**1,338.45**
Actual return on plan assets	95.07	83.03

Net interest (income)/expense

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on defined benefit obligation	114.87	101.70
Interest (income) on plan assets	(94.46)	(88.56)
Net Interest Expense for the year	**20.41**	**13.14**

Remeasurement for the period [actuarial (gain)/loss]

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Experience (gain)/loss on plan liabilities	70.91	(16.16)
Financial (gain)/loss on plan liabilities	(88.45)	87.27
Experience (gain)/loss on plan assets	(6.16)	1.84
Financial (gain)/loss on plan assets	5.56	3.69

Amount recognised in statement of other comprehensive income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement (gain)/loss for the period on defined benefit obligation		
(Gain)/loss on plan liabilities due to experience assumptions	70.91	(16.16)
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	(88.45)	87.27
Remeasurement (gain)/loss for the period on plan asset		
(Gain)/loss on plan assets due to experience assumptions	(6.16)	1.84
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	5.56	3.69
Total remeasurement cost for the period recognised in OCI	**(18.14)**	**76.64**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The amounts to be recognised in the balance sheet

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation	(2,369.23)	(1,748.15)
Fair value of plan assets	1,531.57	1,338.45
Net asset/(liability) to be recognised in the balance sheet	**(837.67)**	**(409.70)**

Expenses recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost [Refer note 28]	111.19	97.29
Past service cost [Refer note 28]	507.05	104.71
Net interest (income)/expense [Refer note 30]	20.41	13.14
Transfer of liability to subsidiary	(46.71)	-
Transfer In/(Out)	(0.26)	-
Net periodic benefit cost recognised in the statement of profit and loss	**591.69**	**215.14**

Reconciliation of net asset/(liability) recognised:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) recognised at the beginning of the period	(409.70)	(246.93)
Holding Company's contributions	140.00	129.01
Expenses recognised for the year	(591.69)	(215.14)
Amount recognised in OCI	18.14	(76.64)
Benefits directly paid by the company	8.70	-
Mortality Charges and Taxes	(3.13)	-
Net asset/(liability) recognised at the end of the period	**(837.68)**	**(409.70)**

The Holding Company expects to contribute ₹ 240.00 million to the gratuity fund in the next year (March 31, 2025: ₹ 130.00 million)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by insurer	100.00%	100.00%

Sensitivity analysis:

A) **Impact of a change in the discount rate when the base assumption is decreased/increased in the present value of the obligation**

In ₹ Million

Discount rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	2,216.56	1,900.25
Increase by 1%	2,550.23	1,616.65

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

B) **Impact of change in the rate of increase in compensation levels on the defined benefit obligation**

In ₹ Million

Salary increment rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	2,240.39	1,631.00
Increase by 1%	2,526.40	1,880.72

C) **Impact of change in withdrawal rate when the base assumption is decreased/increased on the defined benefit obligation**

In ₹ Million

Withdrawal rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	2,421.43	1,761.06
Increase by 1%	2,390.30	1,738.54

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	241.88	163.28
After one year but not more than five years	1,287.05	735.13
After five years but not more than ten years	1,259.23	813.81

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.28 years (March 31, 2025: 10.78 years).

(b) Special gratuity

The Holding Company has a defined benefit special gratuity plan. Under the gratuity plan, every eligible employee who has completed ten years of service gets an additional gratuity on departure which will be the salary for specified months based on the last drawn basic salary. The scheme is unfunded.

1) **Liability risks**

a) **Asset-liability mismatch risk**

Risk arises if there is a mismatch in the duration of assets relative to liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

b) **Discount rate risk**

Variations in the discount rate used to compute the present value of liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

c) **Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often lead to higher future defined benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Unfunded plan risk**

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Holding Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Holding Company's financial statements and also benefits risk through return on the funds made available for the plan.

The principal assumptions used in determining special gratuity for the Holding Company's plan is shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	6.80%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)	10.73*	11.15*
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	5.00%	5.00%
Age 31 - 44 years	5.00%	5.00%
Age 45 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is an actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the beginning of the period	211.06	198.34
Interest expense	14.34	14.24
Benefits Paid	(0.38)	(1.03)
Remeasurements on obligation [Actuarial (Gain)/Loss]	(15.98)	(0.49)
Closing defined benefit obligation	**209.04**	**211.06**

Net Interest (Income)/Expense

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on defined benefit obligation	14.34	14.24
Net interest expense for the period	**14.34**	**14.24**

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Remeasurement for the period

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Experience (gain)/loss on plan liabilities	(7.40)	(9.14)
Demographic loss on plan liabilities	-	-
Financial (gain)/loss on plan liabilities	(8.58)	8.65

Amount recognised in statement of other comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement for the period-obligation (gain)/loss		
(Gain)/loss on plan liabilities due to experience assumptions	(7.40)	(9.14)
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	(8.58)	8.65
Remeasurement for the period-Plan assets (gain)/loss		
(Gain)/loss on plan assets due to experience assumptions	-	-
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	-	-
Total remeasurement cost for the period recognised in OCI	**(15.98)**	**(0.49)**

The amounts to be recognised in the Balance Sheet

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of obligation as at the end of the period	(209.04)	(211.06)
Fair value of plan assets as at the end of the period	-	-
Net asset/(liability) to be recognised in the balance sheet	**(209.04)**	**(211.06)**

Expenses recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost [Refer note 28]	-	-
Past service cost	-	-
Net interest (income)/expense [Refer note 30]	14.34	14.24
Net periodic benefit cost recognised in the statement of profit and loss	**14.34**	**14.24**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Reconciliation of Net Asset/(Liability) recognised:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) recognised at the beginning of the period	(211.06)	(198.34)
Company's contributions	-	-
Benefits directly paid by Company	0.38	1.03
Expenses recognised for the year	(14.34)	(14.24)
Amount recognised in OCI	15.98	0.49
Net asset/(liability) recognised at the end of the period	**(209.04)**	**(211.06)**

The following are the expected benefit payments to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	14.26	12.79
After one year but not more than five years	66.15	63.51
After five years but not more than ten years	116.23	110.61

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 11.90 years (March 31, 2025: 12.46 years).

Sensitivity analysis

A) Impact of a change in the discount rate when the base assumption is decreased/increased on the defined benefit obligation

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	231.47	235.14
Increase by 1%	189.62	190.36

B) Impact of changes in salary increase rate when the base assumption is decreased/increased - present value of obligation

In ₹ Million

Salary increment rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	191.19	192.01
Increase by 1%	229.16	232.68

C) Impact of changes in withdrawal rate when the base assumption is decreased/increased - present value of obligation

In ₹ Million

Withdrawal rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	208.72	211.40
Increase by 1%	209.32	210.74

(c) Provident fund

In accordance with the law, all employees of the Holding Company are entitled to receive benefits under the provident fund. The Holding Company operates two plans for its employees to provide employee benefits in the nature of a provident fund, viz., a defined contribution plan and a defined benefit plan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Under the defined contribution plan, the provident fund is contributed to the government-administered provident fund. The Holding Company has no obligation, other than the contribution payable to the provident fund **(Refer note 28)**

Under the defined benefit plan, the Company contributes to the "Bharat Forge Company Limited Staff Provident Fund Trust". The Holding Company has an obligation to make good shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The details of the defined benefit plan based on the actuarial valuation report are as follows:

1) **Liability risks:**

a) **Asset-liability mismatch risk**
Risk arises if there is a mismatch in the duration of assets relative to liabilities. By matching the duration with the defined benefit liabilities, the Holding Company is able to neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

b) **Discount rate risk**
Variations in the discount rate used to compute the present value of liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) **Future salary escalation and inflation risk**
Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often lead to higher future defined benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Asset risks:**
All plan assets are managed by the Trust and are invested in various funds (mainly LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk-averse markets. The Holding Company has no control over the management of funds and this option provides a high level of safety for the total corpus. A single account is maintained for both investment and claim settlement and hence, 100% liquidity is ensured and interest rate and inflation risk are also taken care of.

The principal assumptions used in determining provident fund liability/shortfall for the Holding Company's plan are shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.30%	6.90%
Interest rate declared by Employees' Provident Fund Organisation for the year	8.25%	8.25%
Yield spread	0.50%	0.50%
Expected rate of return on plan assets	6.90%	7.20%
Expected average remaining working lives of employees (in years)	10.38*	10.52*
Withdrawal rate		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is an actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Table showing changes in the present value of the expected interest rate shortfall:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of the expected Interest rate shortfall as at the beginning of the period	4,667.66	4,269.68
Interest cost	306.84	292.46
Current service cost	169.45	149.84
Employee contribution	213.71	201.77
Benefits paid	(441.41)	(415.46)
Actuarial (gain)/loss on obligations	(53.77)	169.37
Present value of the expected interest rate shortfall as at the end of the period	**4,862.48**	**4,667.66**

Table showing changes in fair value of plan assets (Surplus account)

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets as at the beginning of the period (surplus account)	4,595.86	4,269.38
Interest income	314.56	304.80
Employer's contribution	153.57	141.62
Employee contribution	213.71	201.77
Benefits paid	(441.41)	(415.46)
Remeasurement- return on plan assets excluding amount included in interest income	17.14	93.75
Fair value of plan assets as at the end of the period (surplus account)	**4,853.43**	**4,595.86**

Net interest (income)/expense

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on the defined benefit obligation	306.84	292.46
Interest (income) on plan assets	(314.56)	(304.80)
Net Interest Expense/(Income) for the period	**(7.72)**	**(12.34)**

The amounts to be recognised in the balance sheet:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of Provident fund liability as at end of the period	4,862.48	4,667.66
Fair value of the plan assets as at the end of the period (surplus account)	4,853.43	4,595.86
(Deficit)	**(9.05)**	**(71.80)**
Net (liability) recognised in the balance sheet	(9.05)	(71.80)

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Amount recognised in the Statement of Other Comprehensive Income (OCI):

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement for the period-obligation (gain)/loss	(53.77)	169.37
Remeasurement for the period-plan assets (gain)/loss	(17.14)	(93.75)
Total Remeasurement cost for the period recognised in OCI	**(70.91)**	**75.62**

Expenses recognised in the statement of profit and loss:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost [Refer note 28]	169.45	149.84
Net interest expense [Refer note 30]	(7.72)	(12.34)
Net periodic benefit cost recognised in the statement of profit and loss	**161.73**	**137.50**

Sensitivity analysis

A) Impact of a change in the discount rate when the base assumption is decreased/increased by 50 basis points - present value of obligation

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 0.50%	4,946.47	4,755.47
Increase by 0.50%	4,785.85	4,584.75

B) Impact of changes in expected future interest rate on PF when the base assumption is decreased/increased by 50 basis points - present value of obligation

In ₹ Million

PF interest rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 0.50%	4,785.12	4,586.54
Increase by 0.50%	4,942.88	4,748.78

(d) Pension and other obligation

The Holding Company has a defined benefit pension and medical reimbursement plan for certain key managerial personnel as approved by the remuneration committee. The plan provides lifetime monthly pension payments to such employees as stipulated in the policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on the projected accrued credit method carried out for assessing the provision as on the reporting date.

1) Liability risks

a) Asset-liability mismatch risk

Risk arises if there is a mismatch in the duration of assets relative to liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

b) **Discount rate risk**
Variations in the discount rate used to compute the present value of liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) **Unfunded plan risk**
This represents unmanaged risk and a growing liability. There is an inherent risk here that the Holding Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Holding Company's financial statements and also benefits risk through return on the funds made available for the plan.

The principal assumptions used in determining pension for the Holding Company's plan are shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.40%	6.80%
Rate of increase in compensation levels	10.00%	10.00%
Rate of increase in pension	5.50%	5.50%
Medical inflation rate	14.00%	14.00%
Expected average remaining working lives (in years)*	12.74*	12.92*

* It is an actuarially calculated term of the liability using probabilities of death withdrawal and retirement.

The following tables state the net (asset)/liability as at year-end:

In ₹ Million

Particulars	As at March 31, 2026	Year ended March 31, 2025
Current pension and medical reimbursement obligations expected to be settled in the next 12 months	13.22	12.53
Pension and medical reimbursement obligations expected to be settled beyond 12 months	481.85	360.04
	495.07	**372.57**

Sensitivity analysis:

A) **Impact of changes in discount rate when the base assumption is decreased/increased on defined benefit obligations**

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	533.22	404.92
Increase by 1%	460.91	343.89

B) **Impact of changes in pension increment rate and salary increment rate when the base assumption is decreased/increased on defined benefit obligations**

In ₹ Million

Discount rate	Year ended March 31, 2026	Year ended March 31, 2025
Decrease by 1%	466.28	357.59
Increase by 1%	526.47	388.80

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Overseas subsidiaries

(d) Pension plan and Early retirement plan

The overseas subsidiaries operate a pension scheme which is a defined benefit plan. The scheme pertains to employees who have left the organisation. The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. An individual's estimated benefit obligation is the present value of the attributed benefit for valuation purposes at the beginning of the plan year, and the service cost is the present value of the benefit attributed to the year of service in the plan year.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the balance sheet for the pension plan.

The principal assumptions used in determining pension plan for the Group's overseas subsidiaries are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality table	RT Heubeck 2018 G, TGH05/TGF05 and DUS 21	RT Heubeck 2018 G, TGH05/TGF05 and DUS 21
Discount rate	3.8% to 4.37%	3.35% to 3.70%
Expected rate of return on plan assets		
Rate of increase in compensation levels	1% to 2%	1% to 2%
Expected average remaining working lives (in years)	0.00%	0.00%
Withdrawal rate (based on grade and age of employees)		
Age unto 30 years	0.00%	0.00%
Age 31 - 44 years	0.00%	0.00%
Age 45 - 49 years	0.00%	0.00%
Age above 50 years	0.00%	0.00%

Changes in the present value of the defined benefit obligation recognised in the consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	984.93	922.77
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	158.07	24.34
Interest expense	33.46	35.09
Current service cost	8.25	8.57
Benefits paid	(41.40)	(40.86)
Remeasurements on obligation [Actuarial (Gain)/Loss]	(110.41)	35.02
Closing defined benefit obligation	**1,032.90**	**984.93**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	6.10	5.64
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	1.06	0.70
Interest income	0.20	0.11
Benefits paid	(0.48)	(0.47)
Remeasurements-Actuarial gains/(losses)	0.03	0.12
Return on plan assets, excluding amount recognised in Interest Income-Gain/(Loss)	-	-
Closing fair value of plan assets	**6.91**	**6.10**
Actual return on plan assets	0.23	0.23

Net Interest (Income/Expense)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest (Income)/Expense–Obligation	33.46	35.09
Interest (Income)/Expense–Plan assets	(0.20)	(0.11)
Net Interest (Income)/Expense for the period	**33.26**	**34.98**

Amount recognised in the Statement of Other Comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement for the period-Obligation (Gain)/Loss	(110.41)	35.02
Remeasurement for the period-Plan assets (Gain)/Loss	(0.03)	(0.12)
Total Remeasurement cost/(credit) for the period recognised in OCI	**(110.44)**	**34.90**

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is - 9.59-16.76 years (March 31, 2025: 10.43-18.44 years).

The amounts to be recognised in the Balance Sheet

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligations	(1,032.90)	(984.93)
Fair value of plan assets	6.91	6.10
Net Asset/(liability) to be recognised in the Balance Sheet	**(1,025.99)**	**(978.83)**

Expenses recognised in the Statement of Profit and Loss

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	8.25	8.57
Net Interest (Income)/Expenses	33.26	34.98
Net periodic benefit cost recognised in the Statement of Profit & Loss	**41.51**	**43.55**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Reconciliation of Net Asset/(Liability) recognised:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) recognised at the beginning of the period	(978.82)	(917.13)
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	(157.01)	(23.64)
Benefits directly paid by the Group	40.92	40.39
Expenses recognised for the year	(41.51)	(43.55)
Amount recognised in OCI	110.44	(34.89)
Net asset/(liability) recognised at the end of the period	**(1,025.98)**	**(978.82)**

The major categories of the plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by insurer	100%	100%

Sensitivity analysis

Impact of changes in the discount rate when the base assumption is the present value of obligation decreased/increased in the present value of obligation

In ₹ Million

Discount rate	As at March 31, 2026	As at March 31, 2025
Decrease by 0.50%	1,110.16	1,038.81
Increase by 0.50%	984.35	909.69

The pension scheme pertains to employees who have already left the organisation. Hence, the impact of the change in the salary increase rate and withdrawal rate is nil and not disclosed.

The following are the expected contributions to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Within the next 12 months (next annual reporting period)	48.84	39.98
Between 2 and 5 years	224.09	182.34
Between 5 and 10 years	335.72	271.71
Beyond 10 years	1,406.82	1,251.96
Total expected payments	**2,015.47**	**1,745.99**

(e) Other long-term benefits

Other long-term benefits include an early retirement scheme as governed by local laws, amounting to ₹ 56.83 million (March 31, 2025: ₹ 70.99 million) and a jubilee scheme as governed by the local laws, amounting to ₹ 80.19 million (March 31, 2025: ₹ 69.13 million).

One of the subsidiaries has an employees' savings plan which qualifies under the Internal Revenue Code as governed by local laws. The plan allows eligible employees to make voluntary contributions based on a specific percentage of compensation which may not exceed limitations under the said Internal Revenue Code. The Group has a discretionary

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

matching contribution of 50% up to 6% of compensation. The total expense for employee retirement contribution plans for the year ended March 31, 2026 was ₹ 35.52 million (March 31, 2025: ₹ 24.74 million), included in Note 28 as part of employee benefits expenses.

Indian subsidiaries

(f) Gratuity plans

The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The gratuity benefits are governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to a specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. Majority of the schemes are funded with insurance companies in the form of qualifying insurance policy.

Risk exposure and asset liability matching

The provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

1) Liability risks

a) Asset-liability mismatch risk

Risk arises if there is a mismatch in the duration of assets relative to liabilities. By matching duration with the defined benefit liabilities, the Group is able to neutralise valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often lead to higher future defined benefit payments, resulting in a higher present value of liabilities, especially since unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a Trust fund managed by a public sector insurer viz; LIC of India and other insurance companies. LIC and other insurance companies have a sovereign guarantee and have been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk-averse markets. The respective subsidiaries have no control over the management of funds but this option provides a high level of safety for the total corpus. The same account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured and interest rate and inflation risk are also taken care of.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The principal assumptions used in determining gratuity for the Indian subsidiary's plan are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.60% - 7.90%	6.50% - 6.80%
Expected rate of return on plan assets	6.50% - 7.23%	7.10% - 7.23%
Rate of increase in compensation levels	5.00% - 10.00%	5.00% - 10.00%
Expected average remaining working lives (in years)	2.45-25.42	2.46-25.42
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	1% to 40%	1% to 40%
Age 31 - 40 years	1% to 40%	1% to 40%
Age 41 - 50 years	1% to 40%	1% to 40%
Age above 50 years	1% to 40%	1% to 40%

Changes in the present value of the defined benefit obligation recognised in the consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	119.06	105.15
Adjustment to defined benefit obligation	-	(13.50)
Transfer In/(Out)	51.23	2.82
Interest expense	18.70	6.31
Past service cost	73.06	
Current service cost	47.59	21.03
Benefits paid	(70.82)	(6.71)
Remeasurements on obligation [Actuarial Loss]	13.14	3.96
Closing defined benefit obligation	**251.95**	**119.06**

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan assets	23.55	12.21
Adjustment to fair value of plan asset		(0.03)
Transfer In/(Out)	(0.07)	(0.23)
Interest Income	4.45	1.24
Contributions	64.90	16.68
Benefits paid	(10.11)	(6.20)
Return on plan assets, excluding amount recognised in Interest Income-Gain/(Loss)	(1.86)	(0.12)
Closing fair value of plan assets	**80.86**	**23.55**
Actual return on plan assets	-	1.07

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Net Interest (Income)/Expense

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest (Income)/Expense–Obligation	18.70	6.31
Interest (Income)/Expense–Plan assets	(4.45)	(1.24)
Net Interest (Income)/Expense for the period	**14.25**	**5.07**

Remeasurement for the period [Actuarial (Gain)/loss]

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Experience (Gain)/Loss on plan liabilities	7.47	2.72
Demographic (Gain)/Loss on plan liabilities	6.40	(1.55)
Financial (Gain)/Loss on plan liabilities	(0.74)	2.78
Experience (Gain)/Loss on plan assets	(0.55)	(0.19)
Financial (Gain)/Loss on plan assets	2.41	0.31

Amount recognised in the Consolidated Statement of Other Comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening amount recognised in OCI outside the profit and loss account	18.00	13.74
Adjustment to OCI	(1.41)	0.18
Remeasurement for the period-Obligation (Gain)/Loss	13.14	3.96
Remeasurement for the period-Plan assets (Gain)/Loss	1.86	0.12
Total Remeasurement cost/(credit) for the period recognised in OCI	15.00	4.08
Closing amount recognised in OCI outside the profit and loss account	**31.59**	**18.00**

The amounts to be recognised in the Consolidated Balance Sheet

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Present value of defined benefit obligations	(251.95)	(119.06)
Fair value of plan assets	80.86	23.55
Net Asset/(liability) to be recognised in the Consolidated Balance Sheet	**(171.09)**	**(95.51)**

Expenses recognised in the Statement of Consolidated Profit and Loss

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	47.59	21.03
Past service cost	73.06	-
Transfer In/(Out)	51.29	3.05
Net Interest (Income)/Expense	15.13	5.07
Net periodic benefit cost recognised in the Statement of Consolidated Profit and Loss	**187.07**	**29.15**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Reconciliation of Net Asset/(Liability) recognised:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) recognised at the beginning of the period	(95.51)	(92.70)
Adjustment to opening balance due to business combinations	-	13.23
Contributions	64.90	16.68
Benefits paid by the Group	61.59	0.51
Expenses recognised for the year	(187.07)	(29.15)
Amount recognised in OCI	(15.00)	(4.08)
Net asset/(liability) recognised at the end of the period	**(171.09)**	**(95.51)**

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by insurer	100.00%	100.00%

Sensitivity analysis

A) Impact of a change in the discount rate when the base assumption is decreased/increased in the present value of the obligation

In ₹ Million

Discount rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	301.29	131.56
Increase by 1%	260.73	108.48

B) Impact of a change in the salary increase rate when the base assumption is decreased/increased in the present value of obligation

In ₹ Million

Salary increment rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	164.42	109.08
Increase by 1%	180.84	130.58

C) Impact of a change in the withdrawal rate when the base assumption is decreased/increased in Present value of obligation

In ₹ Million

Withdrawal rate	As at March 31, 2026	As at March 31, 2025
Decrease by 1%	170.61	118.63
Increase by 1%	166.58	119.44

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The following are the expected benefit payments to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Year ending March 31		
Within one year	41.29	8.40
After one year but not more than five years	114.11	24.68
After five years but not more than ten years	119.94	32.11
Beyond 10 years	58.34	44.09
Total expected payments	**333.68**	**109.28**

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is in the range of 3.45-18.97 years (March 31, 2025: 5.04-19.22 years).

41. CONTINGENT LIABILITIES

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the Group not acknowledged as Debts to the extent ascertained **[Refer note a]**	1668.46	1415.16
Guarantees given by the Company's Bankers on behalf of the Company, against the sanctioned guarantee limit of ₹ 12,860 million (March 31, 2025: ₹ 7,250 million) for contracts undertaken by the Company are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares, book debts, etc.	8233.73	4064.52
Excise/Service tax demand matters under dispute* **[Refer note b]**	301.51	295.1
Customs demand matters under dispute* **[Refer note c]**	101.54	48.06
Goods and Services tax and Sales tax demand matters under dispute **[Refer note d]**	13.93	2.17
Income tax demand matters under dispute **[Refer note e]**	148.77	231.75

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above, as it is determinable only on receipt of judgements/decisions pending with various forums/authorities

* Includes Interest calculated till reporting date and Penalty

(a) Includes:

- The Holding Company is contesting the demands raised pertaining to property tax.
- Includes amount pertaining to incentive received under Government schemes, etc.
- Includes amount pertaining to classification differences of products, etc.
- Includes amount pertaining to matter relating to applicability of TDS.
- One of the subsidiaries has ongoing arbitration proceedings relating to termination of the Share Purchase Agreement dated December 18, 2010, the arbitral award dated May 10, 2019 directing the Company to pay approximately ₹77 crores along with interest was set aside by the Hon'ble Delhi High Court vide its order dated May 26, 2025. The Hon'ble Court held that the appointment of the arbitrator was void ab initio and that the arbitral proceedings were not valid in law. The enforcement petition filed by the claimant was also dismissed. Subsequently, the claimant, Mr. Tarsem Jain, has challenged the aforesaid judgement by filing an appeal under Section 37 of the Arbitration and Conciliation Act, 1996, which is pending adjudication.Based on the legal advice obtained, the management believes that the Company has a strong case and the likelihood of any outflow of economic resources is remote. Accordingly, no provision has been made in the financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

41. CONTINGENT LIABILITIES (CONTD.)

- One of the subsidiaries has received a demand notice u/s 129 of the Central Goods and Services Tax Act, 2017. The subsidiary has paid the demand under protest and is contesting the demands, and the management, including its tax/legal advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised and hence, the subsidiary Company has shown the amount paid as Other Current Asset.
- One of the subsidiaries has made a payment of ₹ 1.39 million under protest and filed an appeal before the State Tax Officer, Gujarat against the demands from the Goods and Services tax authorities arising on account of certain non-compliances with the provisions of E-way bill. The management believes that the ultimate outcome of this proceeding will be in favour of the Company and hence no tax expense has been accrued in the financial statements.

(e) Includes the amount pertaining to matters relating to the applicability of TDS.

- Holding company and one of the subsidiaries are contesting the demands and the management, including its tax/legal advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management based on its internal assessment and advice from its legal counsel believes that it is only possible/remote, but not probable, that the action will succeed.
- One of the subsidiaries has received a transfer pricing demand order where an upward adjustment was proposed, amounting to ₹ 68.80 million (March 31, 2025: 68.80 million), having a tax impact of ₹ 24.98 million (March 31, 2025: 24.98 million) and accrued interest of ₹ 14.59 million. The company has appealed against the said order. The management, on the basis of the opinion of a legal consultant, believes that the ultimate outcome of the above proceeding will not have a material adverse effect on the company's financial position and results of operations.

Note: In cases where the amounts have been accrued, it has not been included above.

42. CAPITAL AND OTHER COMMITMENTS

In ₹ Million

Particulars		As at March 31, 2026	As at March 31, 2025
(a)	Estimated value of contracts remaining to be executed on Property, plant & Equipment and not provided for, net of advances	6,991.09	5,296.78
(b)	Guarantees given by the Holding Company on behalf of other companies		
	Balance outstanding	10,338.65	6,838.4
	(Maximum amount)	(11,002.6)	(11,411.81)

(a) The Holding Company has issued various financial guarantees/support letter for working capital requirement of the subsidiary companies. The management has considered the probability for outflow of the same to be remote.

The Holding Company, for its newly set up plant located at Mambattu, Nellore, Andhra Pradesh, for the manufacture of aluminium casting, had imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports. As at March 31, 2025, export obligation aggregates to ₹ 697.18 million. This is to be satisfied over a period of 6 years (block year 1st to 4th year - 50% and 5th to 6th year - 50%) from December 14, 2018, as specified. Period for which had been concluded in the previous financial year and all outstanding obligations are paid in the current financial year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

43. LEASES

A. Group as lessee

The Group has lease contracts for various items of buildings, leasehold land, plant and machinery, office equipment, electrical installations, furniture fixtures, vehicles and other equipment used in its operations. Leases of Buildings, leasehold land, plant and machinery generally have lease terms between 2 and 18 years, while motor vehicles and other equipment generally have lease terms between 2 and 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further mentioned below:

The Group also has certain leases of machinery, flats with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

In ₹ Million

Particulars	Buildings	Plant and machinery	Office equipments	Vehicles	Leasehold Land	Total
At April 1, 2024	1,009.29	2,897.65	12.37	139.57	681.57	4,740.46
Additions	46.92	85.48	179.91	29.40	38.74	380.45
Addition due to acquisition	-	-	-	-	-	-
Depreciation charged to profit and loss account	(159.41)	(272.10)	(96.09)	(91.59)	(9.32)	(628.51)
Depreciation capitalised	-	-	-	-	-	-
Deletions	(37.97)	-	-	-	(0.01)	(37.98)
Foreign Currency Translation Reserve	7.49	4.61	2.06	4.35	-	18.51
As at March 31, 2025	**866.32**	**2,715.64**	**98.25**	**81.73**	**710.98**	**4,472.93**
Additions	280.94	357.64	12.83	123.29	-	774.70
Addition due to acquisition	54.55	-	-	4.54	77.69	136.78
Depreciation charged to profit and loss account	(258.88)	(405.50)	(4.69)	(69.28)	(6.67)	(745.02)
Depreciation capitalised						-
Deletions	(0.97)		(6.14)	(4.36)	(0.01)	(11.48)
Reclassification		46.51				46.51
Foreign Currency Translation Reserve	54.46	36.26	1.51	17.61	-	109.84
As at March 31, 2026	**996.42**	**2,750.55**	**101.76**	**153.53**	**781.99**	**4,784.26**

Below are the carrying amounts of lease liabilities and the movements during the period:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	**4,098.72**	**4,254.55**
Additions on acquisition	5.05	-
Additions	774.70	375.48
Disposal	(0.97)	(38.89)
Accretion of Interest	341.87	331.42
Payments	(996.43)	(847.26)
Foreign Currency Translation Reserve	117.03	23.42
Closing balance	**4,339.97**	**4,098.72**
Current	640.78	474.74
Non-Current	3,699.19	3,623.98

The maturity analysis of lease liabilities is disclosed in Note 55.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

43. LEASES (CONTD.)

The effective interest rate for lease liabilities is between 8.40% and 9.85% for domestic entities and 1.90% and 4.4 % for Overseas entities with maturity between 2025 and 2029.

The following are the amounts recognised in profit or loss:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation expense of right-of-use assets	745.02	628.51
Interest expense on lease liabilities	341.87	331.42
Expense relating to short-term leases and low value leases (included in Other expenses)	-	0.09
Expense relating to leases of low-value assets (included in Other expenses)	11.29	28.76
Total amount recognised in profit or loss	**1,098.18**	**988.78**

The Group had total cash outflows for leases of ₹ 996.43 million (March 31, 2025: ₹ 847.26 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 774.70 million (March 31, 2025: ₹ 380.45 million) and ₹ 774.70 million (March 31, 2025: ₹ 375.48 million), respectively.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised. **(Refer note 35)**

B. Group as a lessor

The Group has entered into agreements/arrangements in the nature of a lease/sub-lease agreement with different lessees for the purpose of land. These are generally in the nature of an operating lease. The period of agreements is generally from three years to 10 years and cancellable with a notice of 30 days to six months and renewal at the option of the lessee/lessor.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

In ₹ Million

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Within one year	154.67	158.44
After one year but not more than five years	379.74	266.23
More than five years	26.07	77.93
Total	**560.48**	**502.60**

44. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust dividend payment

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

44. CAPITAL MANAGEMENT (CONTD.)

to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a net debt equity ratio, which is net debt divided by equity. The Group's policy is to keep the net debt equity ratio below 1.00. The Group includes within its borrowings net debt and interest-bearing loans less cash and cash equivalents.

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	68,725.39	62,514.52
Less: Cash and other liquid assets	24,087.88	22,589.20
Net debt	44,637.51	39,925.32
Equity	95,797.97	92,533.34
Net debt/equity Ratio	0.47	0.43

45. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO ASSOCIATES/JOINT VENTURES/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

In ₹ Million

Particulars	As at March 31, 2026	As at March 31, 2025
Refu Drive GmbH@		
Balance outstanding	155.88	128.81
Maximum amount outstanding during the year	155.88	128.81

@ term loan with bullet repayment at the end of 2 years, interest payable at the end of the loan term.

Loans and advances in the nature of loans granted to promoters, directors, key managerial personnel (KMPs) and other related parties either severally or jointly with any other person that are:

a) Repayable on demand or

b) without specifying any terms or period of repayment

In ₹ Million

Type of Borrower	March 31, 2026		March 31, 2025	
	Amount of loan or advances in the nature of loan outstanding	% of total loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	% of total loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Party	-	-	-	-

Note: There are no investments by the loanee in the shares of the holding company and subsidiary company, when the respective company has made a loan or advance in the nature of a loan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of Zorya Mashproekt India Private Limited

The Group, through its wholly-owned subsidiary Kalyani Strategic Systems Limited (KSSL), has acquired 500,000 equity shares (64.94% of the total shareholding) of face value ₹ 10/- each of Zorya Mashproekt India Private Limited (ZMI) on January 24, 2024. ZMI is a private limited company engaged in the business of development of indigenous capabilities for the build-up, repair and overhaul of all types of gas turbine engines.

In ₹ Million

Particulars	As at January 24, 2024
Assets	
Property, plant and equipment	0.10
Cash and cash equivalents	0.10
Trade receivables	0.70
Financial Assets (Current)	0.65
Other Assets	1.89
	3.44
Liabilities	
Other Current liabilities	3.70
Borrowings	0.40
	4.10
Total identifiable net assets/(liabilities) at fair value	**(0.66)**
Non-controlling interest measured at fair value	(1.52)
Goodwill arising on acquisition	2.18
Purchase consideration transferred	**-**

None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

In ₹ Million

Particulars	Amount
Purchase Consideration	-
Less: Net Cash acquired in business Combination	(0.10)
Net Cashflow on acquisition	**(0.10)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS (CONTD.)

Acquisition of K Drive Mobility Solutions Private Limited (formerly AAM India Manufacturing Private Limited)

The holding company has acquired 527,140,009 equity shares (100% of the total shareholding) at a face value of ₹ 10/- each of K Drive Mobility Solutions Private Limited (erstwhile AAM India Manufacturing Corporation Private Limited) on July 01, 2025. The Company is engaged in the manufacture and trading of automobile parts like axles, drive head assemblies, etc. to be used in light and heavy commercial vehicles and in the business of providing Design engineering and IT-enabled services in the automobile industry sector.

In ₹ Million

Particulars	As at July 01, 2025
Assets	
Property, plant and equipment	2,675.69
Capital work-in-progress	275.40
Right of Use Assets	136.81
Other intangible assets	291.69
Cash and cash equivalents	1,933.28
Trade receivables	2,369.59
Inventories	864.91
Income Tax Assets (net)	59.71
Other Assets (Current and Non Current)	126.54
Other Financial Assets	20.78
	8,754.40
Liabilities	
Trade payables	2,223.96
Other Financial liabilities (Current)	56.94
Other Current liabilities	187.45
Lease Liabilities	5.05
Deferred Tax Liabilities	31.08
	2,504.48
Total identifiable net assets/(liabilities) at fair value	**6,249.92**
Non-controlling interest measured at fair value	
Goodwill arising on acquisition	1,224.24
Purchase consideration transferred	**7,474.16**

None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

In ₹ Million

Particulars	Amount
Purchase Consideration	7,474.16
Less: Net Cash acquired in business Combination	(1,933.28)
Net Cashflow on acquisition	**5,540.88**

From the date of acquisition till the year ended on March 31, 2026, the acquiree entities have contributed ₹ 9,578.00 million to revenue and ₹ 220.25 million to the profit after tax of the Group from continuing operations. If the acquisitions had occurred on April 1, 2025, the estimated consolidated revenue would have been ₹ 1,2582.09 million and the estimated consolidated profit for the year would have been ₹ 113.01 million.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

47. DISCLOSURES REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT, 2013

In ₹ Million

Name of the loanee	Purpose	Rate of Interest (p.a.)	Year ended March 31, 2026	Year ended March 31, 2025
Refu Drive GmbH@	General corporate purpose	2.00%	155.88	128.81

@ term loan with bullet repayment at the end of 2 years, interest payable at the end of the loan term.

48. RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Related parties with whom transactions have taken place during the period	
Associates	Avaada MHVidarbha Private Limited
	Talbahn GmbH
	Aeron Systems Private Limited
	Edgelab S.p.A.
Joint Ventures	BF NTPC Energy Systems Limited, India (under liquidation)
	REFU Drive GmbH, Germany
Subsidiary of Joint Venture	REFU Drive India Private Limited, India
Other related parties	Kalyani Steels Limited
(Enterprises owned or significantly influenced by key management personnel or their relatives)	BF Utilities Limited
	Khed Economic Infrastructure Private Limited
	Kalyani Maxion Wheels Private Limited
	Automotive Axles Limited, India
	Kalyani Cleantech Private Limited
	United Metachem Private Limited
	Harmony Electoral Trust
	Saarloha Advanced Materials Private Limited
	Nandi Economic Corridor Enterprises Limited
	Baramati Speciality Steels Limited
	Kalyani Technoforge Limited
	Kalyani Transmission Technologies Private Limited
	KGEPL Engineering Solutions Private Limited
	Astra Rafael Comsys Pvt Ltd
	Kalyani Technoweld Private Limited
	Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)
	Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)
	KTMS Properties Company Private Limited
	KTMS Design and Engineering Private Limited
	KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Related parties with whom transactions have taken place during the period	
	Inmet Technology Solutions Private Limited
	Institute for Prostate Cancer, India
	Govalkonda Trading Company Private Limited
	Purandhar Trading Company Private Limited
	Raigad Trading Company Private Limited
	Vishalgad Trading Company Private Limited
	Akutai Kalyani Charitable Trust
	Peach Blossom Investment Private Limited
	Synise Technologies Limited
	Radium Merchandise Private Limited
	KSL Holdings Private Limited
	Ajinkya Investment & Trading Company
	Sundaram Trading and Investment Private Limited
	Kalyani Investment Company Limited
	BF Investments Limited
	Rajgad Trading Company Private Limited
	Tangmarg Trading and Investment Private Limited
	Yusmarg Trading and Investment Private Limited
	Kalyani Consultants Private Limited
	Jannhavi Investment Private Limited
	Dronacharya Trading and Investment Private Limited
	Cornflower Investment & Finance Limited
	Dandkaranya Trading and Investment Private Limited
	Campanula Investment & Finance Limited
	Hastinapur Trading and Investment Private Limited
	Kalyani Export & Investment Pvt Ltd
	Aboli Investment Pvt Ltd
	Wathar Investment & Trading Co. Pvt Ltd
	Ratnakar Energy Private Limited
Non-controlling interest holders	Elbit Systems Land and C4I Limited, Israel
	Rafael Advanced Defence Systems Limited
	Mr. Rahul Pangare, India
	Mr. Vyankoji Shinde, India
Joint venture partners	NTPC Limited, India
	Premier Explosives Limited, India
	REFU Elektronik GmbH, Germany

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Related parties with whom transactions have taken place during the period	
Key management personnel	Mr. B. N. Kalyani (Chairman and Managing Director)
	Mr. A. B. Kalyani (Executive Director and Joint Managing Director)
	Mr. B. P. Kalyani (Executive Director)
	Mr. S. E. Tandale (Executive Director)
	Mr. K. M. Saletore (Executive Director & CFO) (up to June 30, 2023)
	Mr. K. P. Dixit (CFO) (w.e.f July 1, 2023)
	Mr. A. B. Ram (Non-Executive Director) (w.e.f September 1, 2023)
	Ms. T. R. Chaudhari (Company secretary)
	Mr. P. G. Pawar (Independent Director) (up to September 3, 2024)
	Mr. P. H. Ravikumar (Independent Director) (up to September 3, 2024)
	Mr. V. R. Bhandari (Independent Director) (up to September 3, 2024)
	Mr. Murali Sivaraman (Independent Director) (up to June 20, 2024)
	Mr. Kanwar Bir Singh Anand (Independent Director) (w.e.f June 27, 2022)
	Mrs. Sonia Singh (Independent Director) (w.e.f June 27, 2022)
	Mr. Anand S. Pathak (Independent Director) (w.e.f July 12, 2024)
	Mr. Ravi Kapoor (Independent Director) (w.e.f Dec 30, 2024)
	Mr. Dipak Mane (Independent Director)
	Ms. Rashmi Joshi (Independent Director) (w.e.f Dec 30, 2024)
Relatives of key management personnel	Mr. G. N. Kalyani
	Mrs. R. G. Kalyani
	Ms. S. G. Kalyani
	Mr. V. G. Kalyani
	Mrs. V. E. Tandale
	Mrs. A. P. Kore
	Mrs. Deeksha Amit Kalyani

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

Related parties with whom transactions have taken place during the period	
Post-employment benefit Trust	Bharat Forge Company Limited Staff Provident Fund
	Bharat Forge Company Limited Employees Group Gratuity Fund
	Bharat Forge Company Limited Officers Group Gratuity Fund
	Bharat Forge Company Limited Officers Superannuation Scheme
	Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme

Transactions and balances less than 10% of the total transactions and balances disclosed as "Others"

(ii) Related party transactions

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
1	**Purchase of raw materials, components, stores, spares and traded goods**	**Associate**		
		Aeron Systems Private Limited	4.55	27.23
			4.55	**27.23**
		Other related parties		
		Kalyani Steels Limited	4,714.36	5,167.31
		Saarloha Advance Material Private Limited	12,526.11	13,540.01
		Kalyani Technoforge Limited	695.33	734.15
		Kalyani Transmission Technologies Private Limited	32.95	-
		Inmet Technology Solutions Private Limited	12.16	-
		Others	27.08	71.00
			18,007.99	**19,512.47**
		Joint venture		
		Refu Drive GMBH	-	29.55
			-	**29.55**
		Subsidiary of Joint Venture		
		REFU Drive India Private Limited, India	0.02	1.45
			0.02	**1.45**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	1,718.99	354.02
			1,718.99	**354.02**
			19,731.55	**19,924.72**
2	**Purchase of services**	**Other related parties**		
		Kalyani Strategic Management Services Limited	-	-
			-	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
3	**Other expenses**	**Associate**		
	- Power, fuel and water	Avaada MHVidarbha Private Limited	163.96	170.45
			163.96	**170.45**
		Other related parties		
		Ratnakar Energy Private Limited	-	90.76
		BF Utilities Limited	65.70	49.92
			65.70	**49.92**
			229.66	**220.37**
	- Machining/subcontracting charges	**Other related parties**		
		Kalyani Technoforge Limited	53.98	49.49
		Synise Technologies Limited	14.70	27.53
		Kalyani Transmission Tecnologies Private Limited	1.88	8.86
		KTMS Design and Engineering Private Limited	98.17	83.13
		Saarloha Advanced Materials Private Limited	0.30	1.31
		Baramati Speciality Steels Limited	1.59	2.67
		India Engineering Private Limited	17.55	-
		Others	-	-
			188.17	**172.99**
	-Rent*	**Other related parties**		
		United Metachem Private Limited	-	4.97
		KTMS Properties Company Private Limited	24.90	22.64
		KTMS Design and Engineering Private Limited	0.12	0.12
		Tirupati Engineers	-	-
		Others	4.70	4.47
			29.72	**32.20**
	- Directors' fees and travelling expenses	**Key management personnel**		
		Mr. B. N. Kalyani	11.79	10.94
		Mr. A. B. Kalyani	11.79	10.94
		Mr. P. G. Pawar	-	1.07
		Mrs. L. D. Gupte	-	0.62
		Mr. P. H. Ravikumar	-	0.79
		Mr. A. B. Ram	1.15	0.92
		Mr. V. R. Bhandari	-	1.09
		Mr. Dipak Mane	12.23	1.45
		Mr. Kanwar Bir Singh Anand	1.31	1.21
		Mrs. Sonia Singh	0.96	1.11
		Mr. Murali Sivaraman	-	0.27
		Mr. Anand Pathak	0.95	0.63
		Mr. Ravi Kapoor	0.80	0.34
		Ms. Rashmi Joshi	1.66	0.27
			42.64	**31.65**

* The lease arrangements which have been considered for Ind AS 116 disclosures in Note no. 43 and taken to right-of-use assets has been considered in rent expenses for disclosing actual transactions with related parties.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
	- Commission to directors other than managing and whole-time directors	**Key management personnel**		
		Mr. P. G. Pawar	-	4.00
		Mrs. Lalita D. Gupte	-	1.80
		Mr. P. H. Ravikumar	-	2.40
		Mr. A. B. Ram	4.60	3.40
		Mr. Vimal Bhandari	-	3.80
		Mr. Dipak Mane	3.60	3.40
		Mr. Murali Sivaraman	-	1.00
		Mr. Kanwar Bir Singh Anand	5.20	4.00
		Mrs. Sonia Singh	3.80	3.60
		Mr. Anand Pathak	2.60	1.80
		Mr. Ravi Kapoor	2.80	1.00
		Ms. Rashmi Joshi	6.60	0.80
			29.20	**31.00**
	- Legal and professional fees	**Other related parties**		
		Kalyani Strategic Management Services Limited	200.00	200.00
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	228.21	137.34
		Peach Blossom Investment Private Limited	10.32	
		P&A Law Offices	23.88	
		Paramraj Advisory LLP	18.30	
		Others	-	20.16
			480.71	**357.50**
	- Repairs and maintenance	**Other related parties**		
		KTMS Properties Company Private Limited	21.39	16.96
			21.39	**16.96**
	- Miscellaneous expenses	**Other related parties**		
		Kalyani Strategic Management Services Limited	265.85	186.23
		Kalyani Technoforge Limited	-	-
		Others	-	-
			265.85	**186.23**
		Non-controlling interest holders		
		Rafael Advanced Defense Systems Limited	20.80	32.16
			20.80	**32.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
	- Reimbursement of expenses received	**Other related parties**		
		Kalyani Strategic Management Services Limited	-	6.16
		Kalyani Technoforge Limited	56.82	57.92
		Saarloha Advanced Materials Private Limited	8.61	210.34
		Kalyani Steels Limited	16.86	55.42
		Refu Drive India Private Limited	0.29	-
		Others*	1.06	1.09
			83.64	**330.93**
	- Reimbursement of expenses Paid	**Non-controlling interest holders**		
		Akutai Kalyani Charitable Trust	0.07	0.07
		Rafael Advanced Defence Systems Limited	-	2.48
			0.07	**2.55**
			1,391.85	**1,414.54**
4	**Sale of goods, raw materials, stores and spares, manufacturing scrap and tooling income (net of returns,rebate etc.)**	**Other related parties**		
		Saarloha Advanced Materials Private Limited	2,865.02	2,929.67
		Automotive Axles Limited	100.46	131.05
		Kalyani Technoforge Limited	10.85	1.38
		Refu Drive India Private Limited	0.54	0.33
		Astra Rafael Comsys Pvt Ltd	2.84	1.05
		Other	11.83	39.40
			2,991.54	**3,102.88**
		Joint venture		
		Refu Drive GmbH	0.86	2.22
			0.86	**2.22**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	1,306.74	3,047.72
			1,306.74	**3,047.72**
			4,299.14	**6,152.82**
5	**Sale of services**	**Other related parties**		
		Automotive Axles Limited	184.68	182.76
		Saarloha Advanced Materials Private Limited	95.24	88.47
		Kalyani Technoforge Limited	0.80	3.51
			280.72	**274.74**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	141.06	95.22
			141.06	**95.22**
			421.78	**369.96**

* The lease arrangements which have been considered for Ind AS 116 disclosures in Note no. 43 and taken to right-of-use assets have been considered in rent expenses for disclosing actual transactions with related parties.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
6	**Sale of property, plant and equipments**	**Other related parties**		
		Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)	35.32	-
			35.32	**-**
7	**Other income**	**Other related parties**		
	- Rent*	Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)	-	2.13
		Kalyani Technoforge Limited	20.07	20.07
		Kalyani Maxion Wheels Private Limited	70.27	57.97
		Others	7.85	65.09
			98.19	**145.26**
	- Miscellaneous Income	**Other related parties**		
		Others	5.89	-
			5.89	**-**
			104.08	**145.26**
8	**Purchase of property, plant and equipment (including CWIP)**	**Other related parties**		
		KTMS Design and Engineering Private Limited	183.63	838.77
		Peach Blossom Investment Private Limited	21.03	-
		Kalyani Technoforge Limited	135.40	-
		Others	**-**	**7.62**
			340.06	**846.39**
		Joint venture		
		Refu Drive GmbH	-	11.13
			-	**11.13**
			340.06	**857.52**
9	**Finance provided:**	**Other related parties***		
		Khed Economic Infrastructure Private Limited	46.06	9.98
			46.06	**9.98**
10	**Investments in associates**	**Associates**		
		Edgelab S.p.A	-	234.01
			-	**234.01**
		Joint venture		
		Refu Drive GmbH	-	66.84
			-	**66.84**
			46.06	**310.83**

* Includes fair valuation impact

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
11	**Loan given**	**Associates and subsidiaries of associates**		
		Aeron Systems Private Limited	35.00	20.00
			35.00	**20.00**
			35.00	**20.00**
12	**Interest income**	**Joint Ventures**		
		REFU Drive GmbH	3.58	-
			3.58	**-**
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	1.59	0.15
			1.59	**0.15**
		Other related party		
		Kalyani Steels Limited	0.45	4.57
			0.45	**4.57**
			5.62	**4.72**
13	**Capital advance given**	**Other related party**		
		KTMS Design and Engineering Private Limited	-	61.45
		KGEPL Engineering Solutions Private Limited	-	-
			-	**61.45**
14	**Capital advance received**	**Other related parties**		
		KTMS Design and Engineering Private Limited	14.71	-
			14.71	**-**
15	**Advance given to vendors**	**Associates and subsidiaries of associates**		
		Aeron Systems Private Limited	0.12	2.19
			0.12	**2.19**
			0.12	**2.19**
16	**Advance given recovered**	**Other related parties**		
		Khed Economic Infrastructure Private Limited	-	665.95
			-	**665.95**
17	**Security deposit received**	**Other related parties**		
		Kalyani Maxion Wheels Private Limited	-	100.00
			-	**100.00**
18	**Managerial remuneration@**	**Key management personnel (Short-term employment benefits)**		
		Mr. B. N. Kalyani$	468.59	389.17
		Mr. A. B. Kalyani	142.14	99.02
		Mr. S. E. Tandale	66.94	60.60
		Mr. B. P. Kalyani	60.32	54.79
		Mr. K. P. Dixit	20.77	17.29
		Ms. T. R. Chaudhari	5.89	5.07
			764.65	**625.94**

@ Does not include provision for gratuity, leave encashment since the same is considered for all employees of the Company as a whole, but includes specific provision for pension and medical.

$ includes post retirement benefits of ₹ 133.88 million (March 31, 2025: ₹ 132.14 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
19	Dividend paid	**Key management personnel**		
		Mr. B. N. Kalyani	0.63	0.70
		Mr. A. B. Kalyani	5.60	6.30
		Mr. G. K. Agarwal	0.04	-
		Mr. B. P. Kalyani	0.05	0.06
		Mr. Subodh Tandale#	-	-
			6.32	**7.06**
		Relatives of key management personnel		
		Mr. G. N. Kalyani	5.52	6.21
		Ms. Sheetal Gaurishankar Kalyani	0.18	0.21
		Mrs. Rohini Gaurishankar Kalyani	0.81	0.91
		Mr. Viraj Gaurishankar Kalyani	0.18	0.21
		Others	0.14	1.43
			6.83	**8.97**
		Other related paties		
		KSL Holdings Private Limited	370.29	416.57
		Ajinkya Investment & Trading Company	119.85	134.84
		Sundaram Trading and Investment Private Limited	442.02	497.16
		Kalyani Investment Company Limited	506.50	569.81
		BF Investments Limited	124.92	140.53
		Rajgad Trading Company Private Limited	10.88	12.24
		Tangmarg Trading and Investment Private Limited	7.23	8.14
		Yusmarg Trading and Investment Private Limited	14.78	16.62
		Kalyani Consultants Private Limited	7.49	8.43
		Jannhavi Investment Private Limited	37.49	42.18
		Dronacharya Trading and Investment Private Limited	1.22	1.38
		Cornflower Investment & Finance Limited	4.27	4.81
		Dandkaranya Trading and Investment Private Limited	8.86	9.97
		Campanula Investment & Finance Limited	5.92	6.66
		Hastinapur Trading and Investment Private Limited	1.43	1.61
		Kalyani Export & Investment Pvt Ltd	8.03	9.03
		Aboli Investment Pvt Ltd	1.02	1.15
		Wathar Investment & Trading Co. Pvt Ltd	0.49	0.55
			1,672.69	**1,881.68**
			1,685.84	**1,897.71**

Amounts disclosed as zero are below the million rounding off.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2026	Year ended March 31, 2025
20	Repayment of loan given	**Associates and subsidiaries of associates**		
		Aeron Systems Private Limited	35.00	20.00
			35.00	**20.00**
			35.00	**20.00**
21	Contributions paid*	**Post employment benefit trusts**		
		Provident fund		
		Bharat Forge Company Limited Staff Provident Fund	369.98	345.68
			369.98	**345.68**
		Gratuity fund		
		Bharat Forge Company Limited Employees Group Gratuity fund	15.00	30.00
		Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme	3.48	3.57
		Bharat Forge Company Limited Officer's Group Gratuity Fund	125.49	99.32
			143.97	**132.89**
		Superannuation fund		
		Bharat Forge Company Limited Officer's Superannuation scheme	15.72	17.09
			15.72	**17.09**
			529.67	**495.66**
22	Bank Guarantee Given	**Joint ventures**		
		Refu Drive GmbH	55.57	-
			55.57	**-**
23	Donations	**Other related parties**		
		Harmony Electoral Trust	-	220.00
			-	**220.00**

* For closing balances of the above employee benefit Trusts, **refer Note 40.**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end

In ₹ Million

Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2026	As at March 31, 2025
1	Trade payables	**Other related parties**		
		Saarloha Advance Material Private Limited**	2,402.22	2,375.83
		Kalyani Steels Limited*	925.24	1,184.75
		Kalyani Technoforge Limited	201.94	88.20
		Kalyani Strategic Management Services Limited	195.47	-
		Ratnakar Energy Private Limited	-	8.27
		Refu Drive GmbH	-	0.07
		Inmet Technology Solutions Private Limited	3.89	-
		Others	31.04	154.78
			3,759.80	**3,811.90**
		Associate		
		Avaada MHVidarbha Private Limited	13.66	15.62
		Aeron Systems Private Limited	1.01	1.43
		EDGE LAB S.R.L.	11.44	-
			26.11	**17.05**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	1,776.23	706.80
			1,776.23	**706.80**
			5,562.14	**4,535.75**
2	Trade receivable	**Other related parties**		
		Saarloha Advanced Materials Private Limited	935.96	946.92
		Automotive Axles Limited	98.90	83.30
		Kalyani Technoforge Limited	29.81	1.55
		Others	29.83	42.81
			1,094.50	**1,074.58**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	652.44	875.82
			652.44	**875.82**
		Associate		
		Aeron Systems Private Limited	-	19.00
			-	**19.00**
		Joint Ventures		
		Refu Drive GmbH	1.76	-
		Sagar-Manas Technologies Limited	2.25	-
			4.01	**-**
			1,750.95	**1,969.40**

* Net of advance given amounting to ₹ 470.00 million (March 31, 2025: ₹ 470.00 million) **[Refer note 22]**

** Net of advance given amounting to ₹ 250.00 million (March 31, 2025: ₹ 250.00 million) **[Refer note 22]**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million

Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2026	As at March 31, 2025
3	Payables for capital goods	**Other related parties**		
		KTMS Design and Engineering Private Limited	-	0.75
		Kalyani Cleantech Private Limited	-	0.49
			-	**1.24**
4	Non-current investments	**Joint ventures (net of accumulated share of loss)**		
		BF NTPC Energy Systems Limited	33.64	33.64
		Refu Drive GmbH	312.84	409.26
			346.48	**442.90**
		Associates (net of accumulated share of loss)		
		Avaada MHVidarbha Private Limited	113.75	113.75
		Aeron Systems Private Limited		137.18
			113.75	**250.93**
		Other related parties (including fair value)		
		Khed Economic Infrastructure Private Limited	1,116.98	1,070.92
			1,116.98	**1,070.92**
			1,577.21	**1,764.75**
5	Loans given	**Joint Ventures**		
		REFU Drive GmbH	155.88	128.81
			155.88	**128.81**
			155.88	**128.81**
6	Security deposits given	**Other related parties**		
		BF Utilities Limited	200.00	200.00
		Kalyani Strategic Management Services Ltd (erstwhile Kalyani Technologies Ltd)	89.40	89.40
		Radium Merchandise Private Limited	25.00	-
		Others	10.50	39.73
			324.90	**329.13**
7	Advance to suppliers	**Other related parties**		
		Refu Drive GmbH	0.06	0.61
		Others	15.30	25.02
		KTMS Design and Engineering Private Limited	3.67	-
		Saarloha Advanced Materials Private Limited	11.63	-
			15.36	**25.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million

Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2026	As at March 31, 2025
8	**Advance from customers**	**Other related parties**		
		Astra Rafael Comsys Pvt Ltd	-	-
		Automotive Axles Limited	2.50	-
			2.50	**-**
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	82.81	130.53
			82.81	**130.53**
			85.31	**130.53**
9	**Capital advances**	**Other related parties**		
		KTMS Design and Engineering Private Limited	11.20	-
		Khed Economic Infrastructure Private Limited	-	998.50
			11.20	**998.50**
10	**Payable for capital purchases**	**Other related parties**		
		Kalyani Technoforge Limited	135.40	-
		Peach Blossom Investment Private Limited	0.97	-
			136.37	**-**
11	**Managerial remuneration payable***	**Key management personnel (Short-term employment benefits)**		
		Mr. B. N. Kalyani$	473.45	286.07
		Mr. A. B. Kalyani	70.00	47.50
		Mr. S. E. Tandale	21.50	19.00
		Mr. B. P. Kalyani	20.50	19.00
			585.45	**371.57**
12	**Commission to directors other than managing and whole-time directors**	**Relatives of directors and other directors**		
		Mr. B. N. Kalyani	12.63	11.07
		Mr. A. B. Kalyani	12.63	11.07
		Mr. P. G. Pawar	-	4.00
		Mrs. Lalita D. Gupte	-	1.80
		Mr. P. H. Ravikumar	-	2.40
		Mr. A. B. Ram	4.60	3.40
		Mr. Vimal Bhandari	-	3.80
		Mr. Dipak Mane	3.60	3.40
		Mr. Murali Sivaraman	-	1.00
		Mr. Kanwar Bir Singh Anand	5.20	4.00
		Mrs. Sonia Singh	3.80	3.60
		Mr. Anand Pathak	2.60	1.80
		Mr. Ravi Kapoor	2.80	1.00
		Ms. Rashmi Joshi	6.60	0.80
			54.46	**53.14**

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole, but includes a specific provision for pension and medical.

$ includes post-retirement benefits of ₹ 353.45 million (March 31, 2025: ₹ 219.57 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

48. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million

Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2026	As at March 31, 2025
13	**Security deposit received**	**Other related parties**		
		Kalyani Maxion Wheels Private Limited	100.00	100.00
			100.00	**100.00**
		Key management personnel		
		Mr. B. P. Kalyani	2.30	-
			2.30	**-**
			102.30	**100.00**
14	**Provision for diminution in value of Investment in associates and joint ventures**	**Joint Ventures**		
		BF NTPC Energy Systems Limited	33.64	33.64
		Refu Drive GmbH	196.21	-
			229.85	**33.64**
15	**Guarantee given**	**Joint Ventures**		
		Sagar-Manas Technologies Limited	-	16.50
		Refu Drive GmbH	55.57	-
			55.57	**16.50**

Notes

(1) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured with a short-term duration unless otherwise stated. For the year ended March 31, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties other than those disclosed separately above for the year ended March 31, 2026 and March 31, 2025. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

(2) All transactions were made on normal commercial terms and conditions and are at market rates.

(3) For details of guarantees given to related parties, **refer Note 47.**

49. SEGMENT INFORMATION

In accordance with paragraph 22 of the notified Indian Accounting Standard 108 Operating Segments (Ind AS 108), the Group has disclosed segment information only on the basis of the consolidated financial statements which are presented together with the standalone financial statements. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's business is divided into three reporting segments comprising "Forgings", "Defence" and "Others" which represent the Group's businesses not covered in the Forgings and Defence segments.

The "Forgings" segment produces and sells forged products comprising forgings and machined components for automotive and industrial sectors and the Defence segment produces and sells products which have an application in defence-related activities. Forged components used in defence-related activities and products are included as a part of the Forgings segment. "Others" primarily includes various initiatives which the Group is carrying out other than forging and defence-related activities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

49. SEGMENT INFORMATION (CONTD.)

The Chief Operating Decision Maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators. With the increased focus of the group on defence-related activities, the group now has defence as a separate segment and the information with respect to the same is provided to and reviewed by the CODM.

No operating segments have been aggregated to form the above reportable operating segments.

In ₹ Million

Sr. No.		March 31, 2026	March 31, 2025
1	**Segment revenue**		
	Revenue from external customers		
a	Forgings	139,285.82	129,612.33
b	Defence	17,571.72	17,719.86
c	Others	21,698.12	9,519.96
	Total	**178,555.66**	**156,852.15**
	Less-Intersegment revenue	10,439.13	5,624.11
	Revenue from operations	**168,116.53**	**151,228.04**
2	**Segment results**		
a	Forgings	19,560.91	18,561.18
b	Defence	814.97	1,864.23
c	Others	1,540.33	393.08
	Total segment profits before interest, tax and exceptional items from each reportable segment	**21,916.21**	**20,818.49**
	Less: Finance cost	3,233.46	4,174.93
	Less: Other unallocable expenditure net off unallocable income	466.59	514.66
		18,216.16	**16,128.90**
	Add: Exceptional items gain/(loss)		
a	Forgings	(1,073.54)	-
b	Defence	(43.77)	(53.00)
c	Others	(427.12)	(1,517.65)
	Total Exceptional items gain/(loss)	**(1,544.43)**	**(1,570.65)**
	Profit/(Loss) before tax	**16,671.73**	**14,558.25**
3	**Segment income/(expense)**		
3.1	**Segment Depreciation and amortisation expenses**		
a	Forgings	8,285.96	7,987.40
b	Defence	242.45	80.07
c	Others	1,167.36	655.25
d	Unallocable	13.47	13.47
	Depreciation and amortisation expenses	**9,709.24**	**8,736.19**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

49. SEGMENT INFORMATION (CONTD.)

In ₹ Million

Sr. No.		March 31, 2026	March 31, 2025
3.2	**Segment Income tax expense/(income)**		
a	Forgings	5,093.53	5,018.46
b	Defence	442.98	289.78
c	Others	241.23	117.26
	Income tax expense (excluding the impact of deferred tax in OCI)	**5,777.74**	**5,425.50**
3.3	**Share of profit/(loss) of associates and joint ventures*** **		
a	Forgings	-	-
b	Defence	14.68	28.40
c	Others	(91.18)	(52.92)
	Total share of profit/(loss) of associates and joint ventures	**(76.50)**	**(24.52)**
4	**Segment assets**		
a	Forgings	147,642.44	132,272.20
b	Defence	18,896.14	17,218.40
c	Others	24,842.83	12,588.42
d	Unallocable assets including unutilised fund	35,889.35	42,209.49
	Total	**227,270.76**	**204,288.51**
	Less-Intersegment assets	4,671.21	3,405.30
	Total assets	**222,599.55**	**200,883.21**
5	**Segment liabilities**		
a	Forgings	34,064.62	28,754.18
b	Defence	11,677.80	9,250.24
c	Others	5,684.24	2,949.79
d	Unallocable	2,504.23	3,941.33
	Total	**53,930.89**	**44,895.54**
	Less-Intersegment liabilities	4,671.21	3,405.30
	Total liabilities	**49,259.68**	**41,490.24**
	Net Capital employed	**173,339.87**	**159,392.97**
6	**Other disclosures**		
6.1	**Investments in associates and joint ventures**** **		
a	Forgings	-	-
b	Defence	377.40	378.37
c	Others	236.74	526.71
	Investments in associates and joint ventures	**614.14**	**905.08**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

49. SEGMENT INFORMATION (CONTD.)

In ₹ Million

Sr. No.		March 31, 2026	March 31, 2025
6.2	**Increase in non-current non-financial asset for the year**		
a	Forgings	18,879.40	14,895.59
b	Defence	2,755.64	1,610.55
c	Others	7,971.69	601.23
	Increase in non-current non-financial asset for the year	**29,606.73**	**17,107.37**
7	**Information in respect of geographical areas**		
7.1	**Segment revenue from external customers****		
a	Within India	**51,692.92**	**36,091.80**
b	Outside India		
	Europe	60,402.82	50,759.64
	USA	38,094.34	36,841.92
	Others	17,926.45	27,534.67
	Subtotal	**116,423.61**	**115,136.23**
	Total	**168,116.53**	**151,228.03**
7.2	**Segment non-current assets**		
a	Within India	56,882.76	51,938.29
b	Outside India	39,553.71	33,936.10
	Total	**96,436.47**	**85,874.39**

* Ind AS 108 requires disclosure of reconciliations between segment information and respective line items in Consolidated Financial Statements. Adjustments and eliminations include the elimination of assets and liabilities of joint ventures and associates which have been accounted under the equity method. Further, inter-segment transactions are eliminated upon consolidation. There are no other reconciling items; hence, no separate reconciliation has been presented.

** The revenue information above is based on the location of the customers. No single external customer contributed more than 10% of Group's total revenue for the year ended March 31, 2026 and March 31, 2025.

*** Excluding effects of share of OCI of associates and joint ventures amounting to Nil (March 31, 2025 ₹ 0.61 million)

**** Excluding loan to associate representing long-term interest of the Group in the associate. **(Refer note 39)**

50. HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in US dollars and euros. These forecast transactions are highly probable.

In the current year, cross-currency swap contracts being measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in euros. These forecast transactions are highly probable.

During the current year, the holding company has converted one of its term loans issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 5.90%, but due to the cross-currency swap arrangement, the effective interest rate was fixed at 1.75% on the EURO equivalent.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

During the previous year, the holding company had converted one of its term loans issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 7.96%, but due to the cross-currency swap arrangement, the effective interest rate was fixed at 3.58% on the EURO equivalent.

During the earlier year, the holding company had converted one of its Non-Convertible Debentures (NCD) issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 7.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.52% on the EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

In ₹ Million

Particulars	As at March 31, 2026		As at March 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	-	3,457.50	872.96	115.44
Cross currency swap	-	1,226.98	-	-

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions and the terms of the cross-currency swap contracts match the terms of the underlying loan agreement. As a result, no hedge ineffectiveness arises, requiring recognition through profit and loss. The amounts of outstanding forward contracts and cross-currency swaps are as follows:

Nature of instrument	Currency	Purpose	As at March 31, 2026		As at March 31, 2025	
			Foreign Currency in Million	In ₹ Million	Foreign Currency in Million	In ₹ Million
Forward Contracts	USD	Hedging of highly probable forecast sales	329.44	29,454.49	594.09	52,447.66
Forward Contracts	EUR	Hedging of highly probable forecast sales	94.66	9,566.81	181.58	17,910.91
Cross Currency Swap	EUR	Hedging of underlying loan agreement	71.74	6,600.00	-	-

The cash flow hedges of the expected future sales during the year ended March 31, 2026 were assessed to be highly effective and a net unrealised gain/(loss) of ₹ (4,572.00) million (March 31, 2025: ₹ 750.83 million), with a deferred tax liability/(asset) of ₹ (1,150.67) million (March 31, 2025: ₹ 188.98 million) relating to the hedging instruments, is included in OCI.

The amount removed from OCI during the year and included in the carrying amount of the hedged item as an adjustment for the year ended March 31, 2026, as detailed in note 33, totalling ₹ 618.52 million (gross of deferred tax) (March 31, 2025: ₹ 1,138.14 million). The amounts retained in OCI at March 31, 2026, are expected to mature and affect the statement of profit and loss till the year ended March 31, 2026.

The impact of the derivative instrument on the balance sheet as at March 31, 2026 is, as follows:

Fair value hedge	Nominal amount (In Million)	Carrying amount (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2026
Cross-currency swap	Nil	Nil	Derivative instruments	Nil
Forward Contracts	Nil	Nil	Derivative instruments	Nil

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The impact of the derivative instrument on the balance sheet as at March 31, 2025 is as follows:

Fair value hedge	Nominal amount (In Million)	Carrying amount (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2025
Cross-currency swap	Nil	Nil	Derivative instruments	Nil
Forward Contracts	Nil	Nil	Derivative instruments	Nil

The impact of the hedged item on the balance sheet as at March 31, 2026 is, as follows:

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2025
Trade receivables	NIL	NIL

The impact of the hedged item on the balance sheet as at March 31, 2025 is as follows:

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2024
Trade receivables	NIL	NIL

Derivatives not designated as hedging instruments

The Group has used foreign exchange forward contracts to manage repayment of some of its foreign currency denominated borrowings. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency-denominated borrowings.

During the previous year, the Holding Company has converted one of its term loan issues in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 7.96%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.58% on the EURO equivalent.

During the earlier year, the Holding Company had converted two of its Non-Convertible Debentures (NCD) issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 5.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 2.40% on the EURO equivalent. The interest rate for 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 7.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.52% on the EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

The impact of the derivative item on the balance sheet as at March 31, 2026 is as follows:

Borrowings	Nominal amount (In Million)	Line item in balance sheet where instrument is disclosed
Non-current borrowings	INR 3,000.00	Borrowings
Non-current borrowings	INR 1,000.00	Borrowings
Current borrowings	INR 750.00	Borrowings
Current borrowings	INR 600.00	Borrowings
Current borrowings	INR 625.00	Borrowings
Current borrowings	INR 625.00	Borrowings

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

51. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosure fair value measurement hierarchy for assets as at March 31, 2026

Financial Instruments by category

In ₹ Million

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,116.98
Avaada SataraMH Private Limited	-	-	180.63
Avaada MHBuldhana Private Limited **[Refer note 51 (c)]**	-	-	26.03
TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited)	-	-	-
Harbinger Motors Inc. (formerly known as Electron Transport Inc.) **[Refer note 51 (d)]**	-	-	635.29
Sunsure Solarpark Twenty Three Private Limited	-	-	102.90
Sunsure Solarpark Twenty Eight Private Limited	-	-	25.88
Ratnakar Energy Private Limited	-	-	13.00
SPI Power LLP	-	-	0.01
Quoted equity instruments			
Birlasoft Limited	203.85	-	-
KPIT Technologies Limited **[Refer note 51 (b)]**	389.10	-	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited **[Refer note 51 (a)]**	-	-	-
Unquoted funds			
Investments in private equity funds	-	129.55	-
Investments in mutual funds	-	9,298.68	-
Quoted funds			
Investments in mutual funds	1,370.18	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	3,457.50	-
Cross currency swap	-	1,226.98	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

51. FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosure fair value measurement hierarchy for assets/liabilities as at March 31, 2025

In ₹ Million

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,070.92
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited **[Refer note 51 (c)]**	-	-	23.76
TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited)	-	-	-
Harbinger Motors Inc. (formerly known as Electron Transport Inc.) **[Refer note 51 (d)]**	-	-	2,013.98
Ratnakar Energy Private Limited	-	-	-
SPI Power LLP			
Quoted equity instruments			
Birlasoft Limited	237.66	-	-
KPIT Technologies Limited **[Refer note 51 (b)]**	801.47	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	872.96	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited **[Refer note 51 (a)]**	-	-	-
Ratnakar Energy Private Limited	-	-	13.00
Derivative instruments at FVTPL			
Fair value hedges	-	-	-
Derivatives not designated as hedge	-	16.63	-
Unquoted funds			
Investments in private equity fund	-	149.35	-
Investments in mutual funds	-	9,407.01	-
Quoted funds			
Investments in mutual funds	1,790.39	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	115.45	-
Financial liability at FVTPL			
Fair value hedges	-	89.57	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

51. FAIR VALUE HIERARCHY (CONTD.)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2026 and March 31, 2025 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Unquoted equity shares in Khed Economic Infrastructure Private Limited (KEIPL) **[Refer note 7(c)]**	Cost method	Estimated realisation rates for developed land and land under development	March 31, 2026: ₹ 13.70 million to ₹ 14.70 million/acre (March 31, 2025: ₹ 11.50 million to ₹ 12.60 million/acre)	5% increase/(decrease) in realisation rate would result in an increase/(decrease) in fair value per share by ₹ 1.66 (March 31, 2025: ₹ 1.53)
Unquoted equity shares in Avaada SataraMH Private Limited (ASPL) **[Refer note 7(c)]**	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in Avaada MHBuldhana Private Limited **[Refer note 7(c)]**	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited) **[Refer note 7(e)]**	Comparable transaction method (CTM)	Revenue multiple	Not Applicable	Not Applicable

(a) Gupta Energy Private Limited (GEPL)

The Group has an investment in equity instrument of GEPL. The same is classified as at fair value through profit and loss. Over the years, GEPL has been making consistent losses. The management of the Holding Company has made attempts to obtain the latest information for the purpose of valuation. However, such information is not available as GEPL has not filed the financial statements with the Ministry of Corporate Affaires (MCA) since FY 2014-15. In view of the above, the management believes that the fair value of the investment is Nil as at April 1, 2015 and thereafter.

(b) KPIT Technologies Limited

The Company had invested in 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, has by its order approved the composite scheme of arrangement (Scheme), amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholders. Pursuant to the Scheme, the engineering business of KPIT Technologies Limited has been transferred to KPIT Engineering Limited.

Pursuant to the order, Birlasoft (India) Limited has merged with KPIT Technologies Limited and KPIT Technologies has been renamed as "Birlasoft Limited". KPIT Engineering Limited has been renamed as "KPIT Technologies Limited".

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

51. FAIR VALUE HIERARCHY (CONTD.)

Pursuant to the Scheme, the Group had received 1 equity share of KPIT Technologies Ltd. of ₹ 10/- each for 1 equity share of Birlasoft Ltd. of ₹ 2/- each. The ratio of the cost of acquisition per share of Birlasoft Ltd. and KPIT Technologies Ltd. was 56.64% to 43.36%.

The investment in shares has been classified under level 1 of the fair value hierarchy as on March 31, 2026 and March 31, 2025.

(c) Avaada MHBuldhana Private Limited

The investment in equity shares of Avaada MHBuldhana Private Limited, made on September 30, 2021 is governed by the terms of the share purchase agreement and the shares held by the Company are subject to certain restrictions in terms of ability of the Company to sell the shares and the value at which this can be done. Considering the nature of restrictions and overall intention of the management in relation to the equity shares, the fair value of such shares for the Company is same as its cost i.e. the face value.

(d) Harbinger Motors Inc. (formerly known as Electron Transport Inc.)

The Group had made an investment in the preferred stock of Harbinger Motors Inc. (formerly known as Electron Transport Inc.) in the previous year. Considering the nature of the investment and overall intention of the management in relation to this investment, the fair value of such investment as at March 31, 2026 and March 31, 2025, was fair valued through other comprehensive income.

(e) Ratnakar Energy Private limited

The Group had made an investment in equity shares of Ratnakar Energy Private Limited on November 6, 2023. Considering the investment being short-term in nature and overall intention of the management in relation to this investment, the fair value of such investment as at March 31, 2026 and March 31, 2025 is fair valued through profit and loss.

Reconciliation of fair value measurement of financial assets classified as FVTOCI and FVTPL:

In ₹ Million

Particulars	Unquoted equity shares in Ratnakar Energy Private Limited	Unquoted equity shares in Avaada SataraMH Private Limited	Unquoted equity shares in Khed Economic Infrastructure Private Limited	Unquoted equity shares in Avaada MHBuldhana Private Limited	Unquoted equity shares in TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited)	Unquoted equity shares in Sunsure Solarpark Twenty Three Private Limited	Unquoted equity shares in Sunsure Solarpark Twenty Eight Private Limited	Unquoted preferred shares in Harbinger Motors Inc. (formerly known as Electron Transport Inc.)
As at April 1, 2024	**13.00**	**166.38**	**1,060.94**	**23.76**	**9.72**	**-**	**-**	**1,690.46**
Remeasurement recognised in OCI	-	-	9.98	-	(9.72)	-	-	430.26
Remeasurement recognised in the Statement of Profit and Loss	-	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	25.88	-
As at March 31, 2025	**13.00**	**166.38**	**1,070.92**	**23.76**	**0.00**	**-**	**25.88**	**2,120.72**
Remeasurement recognised in OCI	-	14.25	46.06	2.27	-		-	(1,485.43)
Remeasurement recognised in the Statement of Profit and Loss	-	-	-	-	-		-	-
Purchases	-	-	-	-	-	102.90	-	-
As at March 31, 2026	**13.00**	**180.63**	**1,116.98**	**26.03**	**0.00**	**102.90**	**25.88**	**635.29**

52. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2026 and March 31, 2025, other than those with carrying amounts that are reasonable approximates of fair values:

In ₹ Million

Particulars	Carrying value		Fair value	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
(i) Investments *	5,031.66	6,192.36	5,031.66	6,192.36
(ii) Trade receivables	168.69	135.48	168.69	135.48
(iii) Loans	37.67	58.54	37.67	58.54
(iv) Derivative instruments	-	289.02	-	289.02
(v) Other non-current financial assets	3,040.67	1,616.22	3,040.67	1,616.22
Total financial assets	**8,278.69**	**8,291.62**	**8,278.69**	**8,291.62**
(i) Borrowings	18,123.55	18,589.80	18,123.55	18,589.80
(ii) Other non-current financial liabilities	3,357.24	253.09	3,357.24	253.09
(iii) Lease liabilities	3,699.19	3,792.56	3,699.19	3,792.56
(iv) Derivative instruments	1,582.36	-	1,582.36	-
Total financial liabilities	**26,762.34**	**22,635.45**	**26,762.34**	**22,635.45**

* Investments do not include investments in subsidiaries, joint ventures and associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

The management assessed that the fair value of cash and cash equivalents, trade receivables, derivative instruments, trade payables, and other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

Further, the management assessed that the fair value of security deposits and other non-current receivables approximates their carrying amounts largely due to expected credit loss/discounting at rates which are an approximation of the current lending rates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as the individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks, as well as other non-current financial liabilities, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to reasonably possible changes in forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible changes in growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables above. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

(iii) The fair values of the unquoted equity shares have been estimated using a cost method (KEIPL) as well as the current market value method (ASPL, AMPL and STEPL). The valuation requires management to make certain assumptions about

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

52. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(iv) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques which employs market-observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at March 31, 2026, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

(v) The Group's borrowings and loans are appearing in the books at fair value since the same are interest-bearing, hence discounting of the same is not required. The own non-performance risk as at March 31, 2026 and March 31, 2025 was assessed to be insignificant.

53. STATUTORY GROUP INFORMATION

Name of the entity in the group	Net assets (Total assets-total liabilities)		Share in profit and loss		Share in Other Comprehensive Income/ (loss)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	₹ Million	As a % of consolidated profit or loss	₹ Million	As a % of consolidated other Comprehensive income	₹ Million	As a % of consolidated total Comprehensive income	₹ Million
Parent Company								
Bharat Forge Limited								
Balance as at March 31, 2026	114.98	109,882.35	75.16	8,187.43	120.83	(4,123.03)	54.32	4,064.40
Balance as at March 31, 2025	118.91	109,642.67	144.78	13,222.51	223.71	(1,243.42)	139.67	11,979.09
Subsidiaries								
Foreign								
1) **Bharat Forge Global Holding GmbH-Group**								
Balance as at March 31, 2026	3.67	3,506.67	(24.04)	(2,618.95)	67.00	(2,286.28)	(65.56)	(4,905.23)
Balance as at March 31, 2025	3.09	2,850.86	(35.08)	(3,203.51)	51.68	(287.26)	(40.70)	(3,490.77)
2) **Bharat Forge America Inc.-Group**								
Balance as at March 31, 2026	10.27	9,816.79	(12.58)	(1,370.53)	32.95	(1,124.36)	(33.35)	(2,494.89)
Balance as at March 31, 2025	11.07	10,207.81	(21.32)	(1,946.84)	39.91	(221.85)	(25.29)	(2,168.69)
3) **Bharat Forge International Limited**								
Balance as at March 31, 2026	4.34	4,147.74	6.42	698.89	(10.99)	375.05	14.35	1,073.94
Balance as at March 31, 2025	3.33	3,072.85	6.03	550.52	(12.72)	70.71	7.24	621.23

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

53. STATUTORY GROUP INFORMATION (CONTD.)

Name of the entity in the group	Net assets (Total assets-total liabilities)		Share in profit and loss		Share in Other Comprehensive Income/ (loss)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	₹ Million	As a % of consolidated profit or loss	₹ Million	As a % of consolidated other Comprehensive income	₹ Million	As a % of consolidated total Comprehensive income	₹ Million
Indian								
1) **Kalyani Powertrain Private Limited-Group**								
Balance as at March 31, 2026	2.67	2,556.27	(9.49)	(1,034.05)	40.25	(1,373.33)	(32.18)	(2,407.38)
Balance as at March 31, 2025	4.67	4,306.65	(27.45)	(2,506.64)	(58.77)	326.67	(25.42)	(2,179.97)
2) **Kalyani Strategic Systems Limited-Group**								
Balance as at March 31, 2026	8.34	7,975.06	9.86	1,074.38	(1.07)	36.34	14.85	1,110.72
Balance as at March 31, 2025	2.98	2,751.92	9.52	869.71	0.03	(0.18)	10.14	869.53
3) **BF Industrial Solutions Limited-Group**								
Balance as at March 31, 2026	7.09	6,777.92	4.80	522.99	2.81	(95.77)	5.71	427.22
Balance as at March 31, 2025	6.89	6,355.42	5.67	517.38	(2.47)	13.73	6.19	531.11
4) **BF Infrastructure Limited-Group**								
Balance as at March 31, 2026	0.16	156.50	(0.08)	(8.75)	(0.00)	0.05	(0.12)	(8.70)
Balance as at March 31, 2025	0.18	165.20	(0.13)	(11.96)	(0.02)	0.10	(0.14)	(11.86)
5) **Kalyani Centre for Precision Technology Limited**								
Balance as at March 31, 2026	0.98	932.20	0.60	65.68	(0.00)	0.02	0.88	65.70
Balance as at March 31, 2025	0.94	866.49	0.63	57.45	0.01	(0.05)	0.67	57.40
6) **BF Elbit Advanced Systems Private Limited**								
Balance as at March 31, 2026	(0.22)	(214.91)	(0.22)	(24.32)	-	-	(0.33)	(24.32)
Balance as at March 31, 2025	(0.21)	(190.60)	(0.24)	(22.19)	-	-	(0.26)	(22.19)
7) **Eternus Performance Material Private Limited**								
Balance as at March 31, 2026	0.00	1.80	0.04	4.07	-	-	0.05	4.07
Balance as at March 31, 2025	(0.00)	(2.37)	0.02	1.86	-	-	0.02	1.86
8) **Kalyani Lightweighting Technology Solutions Limited**								
Balance as at March 31, 2026	(0.00)	(0.38)	(0.00)	(0.13)	-	-	(0.00)	(0.13)
Balance as at March 31, 2025	(0.00)	(0.25)	(0.00)	(0.08)	-	-	(0.00)	(0.08)
9) **American Axle Manufacturing India Private Limited**								
Balance as at March 31, 2026	5.67	5,419.08	2.02	220.24	0.02	(0.53)	2.94	219.71
Balance as at March 31, 2025	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

53. STATUTORY GROUP INFORMATION (CONTD.)

Name of the entity in the group	Net assets (Total assets-total liabilities)		Share in profit and loss		Share in Other Comprehensive Income/ (loss)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	₹ Million	As a % of consolidated profit or loss	₹ Million	As a % of consolidated other Comprehensive income	₹ Million	As a % of consolidated total Comprehensive income	₹ Million
Non-controlling interests in all subsidiaries								
Balance as at March 31, 2026	(0.24)	(230.15)	-	-	(2.85)	97.36	1.30	97.36
Balance as at March 31, 2025	(0.36)	(327.53)	(0.00)	(0.44)	50.16	(278.78)	(3.26)	(279.22)
Associates (accounting as per the equity method)								
Indian								
1) Aeron Systems Private Limited								
Balance as at March 31, 2026	-	365.94	0.41	44.40	0.00	(0.06)	0.52	44.34
Balance as at March 31, 2025	-	321.59	(0.01)	(0.61)	-	-	(0.01)	(0.61)
2) Avaada MHVidarbha Private Limited								
Balance as at March 31, 2026	-	455.22	0.14	15.17	-	-	0.18	15.17
Balance as at March 31, 2025	-	0.26	0.07	6.57	-	-	0.08	6.57
3) Edgelab S.p.A.								
Balance as at March 31, 2026	-	358.43	0.64	69.76	-	-	0.93	69.76
Balance as at March 31, 2025	-	-	-	-	-	-	-	-
Joint Ventures (accounting as per the equity method)								
Foreign								
1) REFU Drive GmbH (including subsidiary)								
Balance as at March 31, 2026	-	(155.75)	(0.44)	(48.21)	-	-	(0.56)	(48.21)
Balance as at March 31, 2025	-	(59.39)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Adjustments arising out of consolidation								
March 31, 2026	(52.05)	(49,739.61)	49.54	5,397.27	(148.93)	5,081.83	140.06	10,479.10
March 31, 2025	(51.51)	(47,493.31)	17.57	1,604.98	(191.53)	1,064.52	31.12	2,669.50
March 31, 2026-Group	**100.00**	**95,568.25**	**100.00**	**10,893.98**	**100.00**	**(3,412.12)**	**100.00**	**7,481.86**
March 31, 2025-Group	**100.00**	**92,205.81**	**100.00**	**9,132.75**	**100.00**	**(555.81)**	**100.00**	**8,576.94**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES)

For year ended March 31, 2026

Investments

The Holding Company has investments in the following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	BF Industrial Solutions Limited	January 20, 2026	290.00	J S Auto Cast Foundry India Private Limited	January 20, 2026	290.00
2	Kalyani Powertrain Limited	May 07, 2025	18.56	Lycan Electric Private Limited	May, 2025	3.78
				Lycan Electric Private Limited	June, 2025	14.78
		July 01, 2025	9.33	Lycan Electric Private Limited	July, 2025	7.63
				Lycan Electric Private Limited	August, 2025	0.90
				Lycan Electric Private Limited	September, 2025	0.80
		July 24, 2025	18.00	Electroforge limited	July, 2025	18.00
				Electroforge limited	August, 2025	5.00
		August 18, 2025	9.80	Lycan Electric Private Limited	October, 2025	4.80
		November, 2025	9.16	Lycan Electric Private Limited	November, 2025	9.16

For year ended March 31, 2025

Investments

The Holding Company has investments in the following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	June 18, 2024	3,340.40	Bharat Forge Aluminium USA, Inc.	June 18, 2024	3,340.40
		December 23, 2024	3,832.65	Bharat Forge PMT Technologie LLC	December 23, 2024	1,277.55
				Bharat Forge Aluminium USA, Inc.	December 23, 2024	2,555.10

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

2	Kalyani Powertrain Limited	June 07, 2024	14.64	Tork Motors Private Limited	May 30, 2024	1.49
				Tork Motors Private Limited	May 31, 2024	5.00
				Tork Motors Private Limited	June 01, 2024	6.91
				Tork Motors Private Limited	June 11, 2024	1.25
		July 01, 2024	5.00	Tork Motors Private Limited	July 01, 2024	5.00
		July 20, 2024	87.82	Tork Motors Private Limited	July 22, 2024	87.82
		August 09, 2024	399.99	Tork Motors Private Limited	August 09, 2024	399.99
		August 22, 2024	1,054.50	Refer note below*	August 22, 2024	1,054.50
		December 26, 2024	69.00	REFU Drive GmbH	December 31, 2024	69.00
		January 07, 2025	4.00	Electroforge Limited (Loan given)	January 08, 2025	4.00
3	BF Industrial Solutions Limited	December 31, 2024	180	J S Auto Cast Foundry India Private Limited	December 31, 2024	180.00
4	Bharat Forge Global Holding GmbH	December 24, 2024	3,430.74	Bharat Forge CDP GmbH	December 27, 2024	593.13
				Bharat Forge Aluminiumtechnik GmbH	December 27, 2024	2,802.17
				Bharat Forge Kilsta AB	December 27, 2024	35.44

* Amount paid to Bharat Forge Limited against consideration of transfer of shares of REFU Drive GmbH to Kalyani Powertrain Limited

Statement of compliance

With regard to the investments made, loans given and guarantees given during the year ended March 31, 2026 as well as March 31, 2025, the Company has complied with the relevant regulatory provisions.

Particulars of the intermediaries/beneficiaries/ultimate beneficiaries

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

2 **Bharat Forge America Inc.**
Registered office: 2150, Schmiede St, Surgoinsville, Tennessee 37873, USA

Relationship with the beneficiary: Wholly-owned Subsidiary

3 **Bharat Forge Aluminium USA, Inc.**
Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Step-down Subsidiary

4 **Bharat Forge PMT Technologie, LLC**
Registered office: 2150, Schmiede St, Surgoinsville, Tennessee 37873, USA

Relationship with the beneficiary: Step-down Subsidiary

5 **Bharat Forge Global Holding GmbH**
Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Wholly-owned Subsidiary

6 **Bharat Forge CDP GmbH**
Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Step-down Subsidiary

7 **Bharat Forge Aluminiumtechnik GmbH**
Registered office: Berthelsodorfer StraBe 8, 09618 Brand-Erbisdorf, Germany

Relationship with the beneficiary: Step-down Subsidiary

8 **Bharat Forge Kilsta AB**
Registered office: Box 428 691 27 Karlskoga, Sweden

Relationship with the beneficiary: Step-down Subsidiary

9 **Kalyani Powertrain Limited**
Registered office: S No 49, Industry House, Opposite Kalyani Steels Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly-owned Subsidiary

10 **Tork Motors Pvt Ltd, India**
Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down Subsidiary

11 **Electroforge Limited**
Registered office: S No 49, Industry House, Opposite Kalyani Steels Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

12 REFU Drive GmbH
Registered office: Markts.18572793 Pfullingen, Baden-Württemberg, Germany

Relationship with the beneficiary: Joint Venture

13 BF Industrial Solutions Limited
Registered office: S No 49, Industry House, Opposite Kalyani Steels Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly-owned Subsidiary

14 JS Auto Cast Foundry India Private Limited
Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam Na Coimbatore, Tamil Nadu 641107

Relationship with the beneficiary: Step-down Subsidiary

15 Lycan Electric Private Limited
Registered office: Plot No. 425 Sector No.10, PCNTDA, Bhosari, Pune, Maharashtra 411026

Relationship with the beneficiary: Step-down Subsidiary

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2026

1 **BF Industrial Solutions Limited**
Investments

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
Bharat Forge Limited	January 20, 2026	290.00	J S Auto Cast Foundry India Private Limited	January 20, 2026	290

Particulars of the funding party
1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries
1 **JS Auto Cast Foundry India Private Limited**
Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam Na Coimbatore - 641107 Tamil Nadu - India

Relationship with the beneficiary: Step-down subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

2 **Kalyani Powertrain Limited**
Investments

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
Bharat Forge Limited	May 07, 2025	18.56	Lycan Electric Private Limited	May, 2025	3.78
			Lycan Electric Private Limited	June, 2025	14.78
	July 01, 2025	9.33	Lycan Electric Private Limited	July, 2025	7.63
			Lycan Electric Private Limited	August, 2025	0.90
			Lycan Electric Private Limited	September, 2025	0.80
	July 24, 2025	18.00	Electroforge limited	July, 2025	18.00
			Electroforge limited	August, 2025	5.00
	August 18, 2025	9.80	Lycan Electric Private Limited	October, 2025	4.80
	November, 2025	9.16	Lycan Electric Private Limited	November, 2025	9.16

Particulars of the funding party
1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries
1 **Lycan Electric Private Limited**
Registered office: Plot No. 425 Sector No.10, PCNTDA, Bhosari, Pune, Maharashtra 411026

Relationship with the beneficiary: Step-down Subsidiary

2 **Electroforge Limited**
Registered office: S. No. 49, Industry House, Opp Kalyani Steels Ltd Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025

1 Bharat Forge America Inc., USA

Investments

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
Bharat Forge Limited	June 18, 2024	3,340.40	Bharat Forge Aluminium USA, Inc.	June 18, 2024	3,340.40
	December 23, 2024	3,832.65	Bharat Forge PMT Technologie LLC	December 23, 2024	1,277.55
			Bharat Forge Aluminium USA Inc	December 23, 2024	2,555.10

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

1 **Bharat Forge Aluminium USA, Inc.**
Registered office: 2150, Schmiede St, Surgoinville, Tennessee 37873, USA

Relationship with the beneficiary: Step-down Subsidiary

2 **Bharat Forge PMT Technologie, LLC**
Registered office: 2150, Schmiede St, Surgoinville, Tennessee 37873, USA

Relationship with the beneficiary: Step-down Subsidiary

2 Kalyani Powertrain Limited

Investments

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
Bharat Forge Limited	June 07, 2024	14.64	Tork Motors Private Limited	May 30, 2024	1.49
			Tork Motors Private Limited	May 31, 2024	5.00
			Tork Motors Private Limited	June 01, 2024	6.91
			Tork Motors Private Limited	June 11, 2024	1.25
	July 01, 2024	5.00	Tork Motors Private Limited	July 01, 2024	5.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
	July 20, 2024	87.82	Tork Motors Private Limited	July 22, 2024	87.82
	August 09, 2024	399.99	Tork Motors Private Limited	August 09, 2024	399.99
	August 22, 2024	1,054.50	Refer note below*	August 22, 2024	1,054.50
	December 26, 2024	69.00	REFU Drive GmbH	December 31, 2024	69.00
	January 07, 2025	4.00	Electroforge Limited (Loan given)	January 08, 2025	4.00

* Amount paid to Bharat Forge Limited against consideration of transfer of shares of REFU Drive GmbH to Kalyani Powertrain Limited

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

1 **Tork Motors Pvt Ltd, India**
Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down Subsidiary

2 **Electroforge Limited**
Registered office: S. No. 49, Industry House, Opp Kalyani Steels Ltd Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down Subsidiary

3 **REFU Drive GmbH**
Registered office: Markts.18572793 Pfullingen, Baden-Württemberg, Germany

Relationship with the beneficiary: Joint Venture

3 BF Industrial Solutions Limited, India

Investments

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
Bharat Forge Limited	December 31, 2024	180.00	J S Auto Cast Foundry India Private Limited	December 31, 2024	180.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

1 **JS Auto cast Foundry India Private Limited**
Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam, Coimbatore, Tamil Nadu 641107

Relationship with the beneficiary: Step-down Subsidiary

3 **Bharat Forge Global Holding GmbH**

Investments

In ₹ Million

Name of the funding party	Date of receipt	Amount funded by holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
Bharat Forge Limited	December 24, 2024	3,430.74	Bharat Forge CDP GmbH	December 27, 2024	593.13
			Bharat Forge Aluminiumtechnik GmbH	December 27, 2024	2,802.17
			Bharat Forge Kilsta AB	December 27, 2024	35.44

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

1 **Bharat Forge CDP GmbH**
Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Step-down Subsidiary

2 **Bharat Forge Aluminiumtechnik GmbH**
Registered office: Berthelsodorfer StraBe 8, 09618 Brand-Erbisdorf, Germany

Relationship with the beneficiary: Step-down Subsidiary

3 **Bharat Forge Kilsta AB**
Registered office: Box 428 691 27 Karlskoga, Sweden

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities other than derivatives comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI and FVTPL investments and enters into derivative transactions.

The Group is exposed to market risks, credit risks and liquidity risks. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Finance and Risk Management Committee (FRMC) that advises on financial risks and the appropriate financial risk governance framework for the Group. The FRMC provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Further, all derivative activities for risk management purposes are carried out by experienced members of senior management who have the relevant expertise, appropriate skills and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual funds, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relates to the position as at March 31, 2026 and March 31, 2025.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates to debt and derivatives, and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2026.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The below assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2026 and March 31, 2025, including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Holding company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates, other than 5.97% rated unsecured non-convertible debentures, 5.80% rated unsecured non-convertible debentures, 7.80% rated unsecured non-convertible debentures and 5.90% rupee term loan from a bank which has a fixed interest rate.

The Group's exposure to the risk of changes in market interest rates relates to the long-term debt obligations with floating interest rates ranging from 5.88% to 8.65%

The Group generally borrows in foreign currency, considering the natural hedge it has against its export. Long-term and Short-term foreign currency debt obligations carry floating interest rates and in certain cases, fixed interest rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Group avails short-term debt in foreign currency up to a tenor of 9 months, in the nature of export financing for its working capital requirements. LIBOR or EURIBOR for the said debt obligations is fixed for the entire tenor of the debt, at the time of availment.

During the year, the Holding company has availed a Rupee term loan with a floating interest rate from a bank, which is linked to the 3-month T-bill.

The Group has an option to reset LIBOR/SOFR or EURIBOR, either for 6 months or 3 months, for its long-term debt obligations. To manage its interest rate risk, the Group evaluates the expected benefit from either of the LIBOR resetting options and accordingly decides. The Group also has an option for its long-term debt obligations to enter into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at March 31 2026, the Group's 86.50% of total long-term borrowings are covered under a floating rate of interest (March 31 2025: 60.90%).

Interest rate sensitivity

The Group's total interest cost for the year ended March 31, 2026 was ₹ 3,233.05 million and for the year ended March 31, 2025, it was ₹ 4,174.93 million. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant. The Group's profit/(loss) before tax is affected through the impact on floating rate long-term borrowings as follows:

In ₹ Million

Particulars	Change in basis points	Effect on profit before tax and equity	
		March 31, 2026	March 31, 2025
USD	+/- 50	-	6.84
INR	+/- 50	57.25	29.25

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's export revenue, long-term foreign currency borrowings and the Group's net investment in foreign subsidiaries and associates.

The Holding Company manages its foreign currency risk by hedging its forecasted sales up to 4 years to the extent of 25%-65% on a rolling basis and keeps its long-term foreign currency borrowings unhedged, which will be a natural hedge against its unhedged exports. The Holding Company may hedge its long-term borrowing near to the repayment date to avoid rupee volatility in the short term.

The Company avails preshipment credit and export bill discounting facility in INR to avail interest subvention benefit. The Company manages foreign currency risk by hedging the receivables against the said liability. The Company also manages foreign currency risk in relation to export receivable balances through forward exchange contracts.

The following analysis has been worked out based on the net exposures of the Group as of the date of the balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further, the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2026:

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assets	22,945.30	8,697.13	1,035.63	10.67
Financial liabilities	(21,992.94)	(8,533.90)	(481.53)	(79.74)

10% appreciation/depreciation of the functional currency of the Company with respect to various foreign currencies would result in an increase/decrease in the Company's profit before taxes by approximately ₹ 160.06 Million for the year ended March 31, 2026.

The Group has not considered net non-current foreign currency loan exposure, being naturally hedged against future unhedged export receivables.

The investments in subsidiaries, joint ventures and associates being strategic in nature, do not have any maturity or cash flow. Hence, the same has not been considered for the purpose of unhedged foreign currency exposure.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2025:

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assets	25,672.69	4,940.13	719.97	41.26
Financial liabilities	(23,543.16)	(6,419.60)	(404.43)	(20.05)

10% appreciation/depreciation of the functional currency of the Group with respect to various foreign currencies would result in an increase/decrease in the Group's profit before taxes by approximately ₹ 98.68 Million for the year ended March 31, 2025.

The Group has not considered net non-current loan exposure in foreign currency, being naturally hedged against future unhedged export receivables.

For the investments in joint ventures and associates being strategic in nature, do not have any maturity or cash flow. Hence, the same has not been considered for the purpose of unhedged foreign currency exposure.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of that derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group discloses the fair value of the outstanding derivative in the financial statements. The impact on the Company's pre-tax equity due to changes in the fair value of the outstanding forward contracts is as follows:

In ₹ Million

Change in rate	Effect on OCI		Effect on net Profit (Loss)	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
USD/INR -1	329.44	594.09	-	-
EUR/INR -1	166.41	181.58	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Foreign currency sensitivity

The following tables demonstrate sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit/loss before tax is due to changes in the fair value of un-hedged monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

In ₹ Million

Change in rate	Effect on Other Comprehensive Income		Effect on net Profit/(Loss) before tax and equity	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
USD/INR -1	147.59	155.19	-1.12	53.86
EUR/INR -1	32.17	30.88	64.20	89.44

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of steel. Due to the significant volatility of the price of steel, the Group has agreed with its customers for the pass-through of increases/decreases in the price of steel. There may be a lag effect in the case of such a pass-through arrangement.

Commodity price sensitivity

The Group has a back-to-back pass-through arrangement for volatility in raw material prices for most customers. However, in a few cases, there may be a lag effect in case of such pass-through arrangements and might have some effect on the Group's profit/(loss) and equity.

Equity price risk

The Group is exposed to price risk in equity investments and classified on the balance sheet as fair value through profit or loss and through Other comprehensive income. To manage its price risk arising from investments in equity, the Group diversifies its portfolio. Diversification and investment in the portfolio are done in accordance with the limits set by the Board of Directors of the Group.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 2,230.27 million (March 31, 2025: ₹ 3,463.27 million). Sensitivity analysis of major investments has been provided in Note 51.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 592.95 million (March 31, 2025: ₹ 1,039.13 million). A change of 10% on the NSE market index could have an impact of approximately ₹ 59.29 million (March 31, 2025: ₹ 103.91 million) on the OCI or equity attributable to the Group. These changes would not affect profit or loss.

Other price risk

The Group invests its surplus funds in mutual funds linked to debt markets. The Group is exposed to price risk for investments in such instruments that are classified as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification and investment in the portfolio are done in accordance with the Holding Company's investment policy approved by the Board of Directors. An increase/decrease in interest rates by 0.25% will have an impact of ₹ 26.67 million (March 31, 2025: ₹ 28.00 million)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, other receivables and deposits, foreign exchange transactions and other financial instruments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Trade receivables

Customer credit risk is managed by the Group's established policies, procedures and controls relating to customer credit risk management. Further, the Group's customers include marquee OEMs and Tier I companies, having long-standing relationships with the Group. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2026, receivables from the Group's top 5 customers accounted for approximately 15.96% (March 31, 2025: 22.92%) of all the receivables outstanding. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix (refer to the table below). Further, an impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on historical data and the subsequent expectation of receipts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Group does not hold collateral as security except in the case of a few customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Year ended	Particulars	Not yet due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2026	% of loss allowance	0.30%	0.60%	3.37%	12.68%	29.91%	90.08%	1.34%
March 31, 2025	% of loss allowance	0.18%	0.68%	17.34%	43.21%	88.67%	99.56%	1.99%

Other receivables, deposits with banks, mutual funds and loans given

Credit risk from balances with banks, financial institutions and mutual funds is managed in accordance with the Group's approved investment policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on a regular basis and the said limits get revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2026 and March 31, 2025 is the carrying amounts as illustrated in the respective notes except for financial guarantees. With respect to financial derivative instruments, **refer Note 50.**

Liquidity risk

Cash flow forecasting is performed by the Treasury function. The Group's liquidity requirements are monitored at the Holding Company and individual component levels by respective treasury functions to ensure availability of funds to meet operational needs. Such forecasting takes into consideration the compliance with internal cash management. The Group's treasury invests surplus cash in marketable securities as per the approved policy, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the reporting date, the Group held mutual funds of ₹ 12,613.32 million (March 31, 2025: ₹ 13,092.30 million) and other liquid assets of ₹ 9,788.16 million (March 31, 2025: ₹ 7,220.30 million) that are expected to readily generate cash inflows for managing liquidity risk.

As per the Group's policy, there should not be a concentration of repayment of loans in a particular financial year. In the case of such concentration of repayments, the Group evaluates the option of refinancing the entire or part of the repayments for extended maturity. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The Group is also maintaining surplus funds with short-term liquidity for future repayments of loans.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Group's financial liabilities

In ₹ Million

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2026				
Borrowings	50,622.62	17,733.81	389.75	**68,746.18**
Trade and other payables	29,116.63	-	-	**29,116.63**
Lease Liabilities	647.47	1,867.62	1,824.89	**4,339.97**
Other financial liabilities	2,124.12	3,357.24		**5,481.36**
	82,510.84	**22,958.66**	**2,214.64**	**107,684.14**
March 31, 2025				
Borrowings	49,690.21	12,136.48	1,057.18	**62,883.87**
Trade and other payables	23,442.12	-	-	**23,442.12**
Lease Liabilities	474.74	1,511.23	2,112.75	**4,098.72**
Other financial liabilities	1,654.04	195.38	-	**1,849.42**
	75,261.11	**13,843.09**	**3,169.93**	**92,274.13**

The management believes that the probability of any outflow on account of financial guarantees and letters of support issued by the Group being called on is remote. Hence, the same has not been included in the above table.

56. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the companies incorporated in India w.e.f. April 1, 2023. The Holding Company and its subsidiaries incorporated in India have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for the instances mentioned below:

- In respect of the Holding Company and its six subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.
- In respect of Holding Company, the feature of recording audit trail (edit log) facility was not enabled for certain tables at the application level of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
- In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
- In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to property, plant and equipment, financial reporting process, purchase to payables, payroll, revenue to receivables and production to inventory throughout the year.
- In respect of three subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to financial reporting process, property, plant and equipment, purchase to payables, and revenue to receivables throughout the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

56. (CONTD.)

- In respect of one subsidiary company, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to the financial reporting process, purchase to payables and revenue to receivables throughout the year.
- In respect of Holding Company and one subsidiary company, the payroll accounting software does not have the feature of recording an audit trail (edit log) facility.
- In respect of one subsidiary company, the inventory management software does not have the feature of recording an audit trail (edit log) facility.
- In respect of one subsidiary company, the accounting software does not have the feature of recording an audit trail (edit log) facility.
- In respect of the Holding Company, in the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation for the accounting software used for consolidation, the audit trail feature at the database level for the said software was not enabled and operated throughout the year for all relevant transactions recorded in the software.

  In respect of 4 subsidiaries, the companies have used the accounting software for maintaining their books of accounts which have a feature of recording audit trail (edit log) facility. The accounting software did not have the audit trail features enabled throughout the year. The subsidiary companies are in the process of establishing necessary controls and documentation regarding the audit trail.

  Further, where enabled, the Holding Company and its subsidiaries preserved the audit trail as per statutory requirements for records retention.

57. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation, has determined that it does not have any significant impact on its financial statements.

In August 2025, MCA notified the following amendments to:

1) Ind AS 1, Presentation of Financial Statements, effective from April 1, 2025, introduces amendments concerning the classification of liabilities as current or non-current, including non-current liabilities subject to covenants. Specifically, regarding the classification of a liability as current, the amendment eliminates the previous requirement that the right to defer settlement must exist for at least 12 months after the reporting date. Instead, it mandates that such a right must be present and substantive as of the reporting date. Additionally, the amendment provides guidance on the classification of liabilities that are subject to covenants. The Group has determined that these amendments do not affect its existing criteria for classifying current and non-current liabilities.

2) Ind AS 7, Statement of Cash Flows, and Ind AS 107, Financial Instruments: Disclosures, effective from April 1, 2025, have been amended to enhance transparency regarding supplier finance arrangements. The revision to Ind AS 7 mandates that entities disclose the existence of such arrangements, describe their nature, report the carrying amount of related liabilities, and provide information on the range of payment due dates. Concurrently, Ind AS 107 has been updated to recognise supplier finance arrangements as a potential source of liquidity risk concentration. The Group

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

57. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

has conducted a review of these amendments and, based on its assessment, has concluded that they do not have a material impact on its financial statements.

3) Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. It has no impact on financial statements.

58. EMPLOYEE SHARE-BASED PAYMENTS

One of the step-down subsidiary companies, Tork Motors Private Limited ('TMPL') in the Group has provided share-based payment schemes to its employees. The relevant details of the scheme and the grant are as below:

TMPL had granted options under Employee Stock Option Plan I in the FY 2018-19 pursuant to approval of Shareholders at its meeting held on January 25, 2019 which was subsequently amended and approved in the General meeting held on November 12, 2020 and Board meeting held on October 23, 2021, for achieving wider coverage and talent retention (TMPL Amended Employee Stock Option Plan–2020). The said ESOP Plan 2020 was further amended and approved by the Board in its meeting held on October 23, 2021 resolving thereby a few discrepancies, ambiguities, etc.

The fair value of the share options was estimated at the grant date using the fair value at which shares were issued to the holding company, considering the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value, i.e. ₹ 10. The contractual term of each option granted is 3 years.

In ₹ Million

Particulars	March 31, 2026	March 31, 2025
Expense arising from equity-settled share-based payment transactions	-	-

Movement in share options post acquisition of TMPL by the Group:

In ₹ Million

Particulars	March 31, 2026	March 31, 2025
Outstanding at March 31, 2025	2,101.00	2,101.00
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	2,101.00	2,101.00
Outstanding at March 31, 2026	-	-
Exercisable at March 31, 2026	-	-

The weighted average share price on the date of exercise of these options is ₹ 10. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

Exercise price of the options granted in the financial year ended March 31, 2022, was determined based on the price at which equity shares of the TMPL were issued to external investors. The exercise price of the options granted in the financial year ended March 31, 2024, has been determined by a Category 1 merchant banker using Black and Scholes' Option Pricing Model.

59. OTHER STATUTORY INFORMATION

59.1. Relationship with companies struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956.

In ₹ Million

Name of the struck-off company	Transaction during the period#	Balance outstanding	Nature of transaction	Relationship with the struck-off company*
March 31, 2026				
RBC Bearings Pvt Ltd	0.02	-	Expenses	Vendor*
SAFE N SECURE FIRE SYSTEMS#	-	-	Expenses	Vendor*
Mechkraft Engineering Pvt Ltd	-	0.18	Dividend	Vendor*
D J Share Trading Company Pvt Ltd#	-	-	Dividend	Shareholder*
Dreams Broking Private Limited#	-	-	Dividend	Shareholder*
Satidham Industries Pvt.Ltd.#	-	-	Dividend	Shareholder*
March 31, 2025				
RBC Bearings Pvt Ltd	0.02	0.02	Expenses	Vendor
Mechkraft Engineering Pvt Ltd	-	0.18	Expenses	Vendor
Unickon Fincap Pvt Ltd	0.00	-	Dividend	Shareholder
D J Share Trading Company Pvt Ltd	0.00	-	Dividend	Shareholder
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder
Arihant Securities Limited	0.00	-	Dividend	Shareholder

* These parties are not related parties as per the definition of 'related party' under section 2(76) of the Companies Act 2013.

\# Amounts disclosed as zero are below the million rounding off.

59.2. There are no proceedings initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

59.3. The Group has not traded or invested in cryptocurrency or virtual currency during the financial year.

59.4. The Group does not have any charge, which is yet to be registered with the Registrar of Companies ('ROC') beyond the statutory period. With regard to satisfaction of charges, a few cases of the Holding Company are outstanding with ROC due to technical reasons and the Holding Company is in the process of obtaining no dues certificates from the lenders, which the Holding Company will be filing with the Registrar of Companies for satisfaction of the related charges.

59.5. During the year ended March 31, 2026, none of the Group Companies incorporated in India has surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961, (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

59. OTHER STATUTORY INFORMATION (CONTD.)

59.6. The Group has not revalued any property, plant and equipment or intangible assets.

59.7. In accordance with the requirements of Division II-Ind AS Schedule III to the Companies Act, 2013, analytical ratios have been disclosed only in standalone financial statements of the Holding Company.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 07, 2026

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Part "A": Subsidiaries

In ₹ Million

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit Before Taxation	Provision for taxation	Profit after taxation	% of Holding
1	Bharat Forge Global Holding GmbH	Jan 25 to Dec 25	EUR	105.56	527.78	2,650.81	12,904.92	9,726.34	8,991.36	-	(263.89)	3.01	(266.90)	100%
2	Bharat Forge CDP GmbH	Jan 25 to Dec 25	EUR	105.56	52.78	3,943.05	11,392.67	7,396.85	163.61	17,289.08	(455.30)	-	(455.30)	100%
3	Bharat Forge Holding GmbH	Jan 25 to Dec 25	EUR	105.56	2.64	1,347.40	4,748.76	3,398.73	1,799.86	-	(6.39)	-	(6.39)	100%
4	Bharat Forge Aluminiumtechnik GmbH	Jan 25 to Dec 25	EUR	105.56	876.11	252.51	12,081.44	10,952.82	-	14,062.17	(1,467.04)	-	(1,467.04)	100%
5	Bharat Forge Kilsta AB	Jan 25 to Dec 25	SEK	9.77	0.20	0.06	3.89	3.63	-	9.45	(0.27)	0.00	(0.27)	100%
6	Bharat Forge Daun GmbH	Jan 25 to Dec 25	EUR	105.56	5.28	526.22	1,684.79	1,153.29	-	1,536.90	152.84	-	152.84	100%
7	Mecanique Generale Langroise	Jan 25 to Dec 25	EUR	105.56	63.33	538.61	723.48	121.54	0.01	810.15	117.65	29.39	88.26	100%
8	Bharat Forge America Inc.	Apr 25 to Mar 26	USD	94.65	21,948.92	(357.10)	27,818.10	6,226.28	20,037.25	355.66	(22.82)	-	(22.82)	100%
9	Bharat Forge PMT Technologie LLC	Apr 25 to Mar 26	USD	94.65	5,196.87	(3,538.04)	5,422.24	3,763.41	-	5,328.74	(568.78)	-	(568.78)	100%
10	Bharat Forge Tennessee Inc.	Apr 25 to Mar 26	USD	94.65	442.71	218.18	725.86	64.98	356.65	34.08	17.89	-	17.89	100%
11	Bharat Forge Aluminium USA. Inc.	Apr 25 to Mar 26	USD	94.65	5,288.89	1,040.99	25,371.79	19,041.91	-	10,758.35	(970.85)	-	(970.85)	100%
12	Kalyani Mobility Inc (formerly Kalyani Precision Machining Inc.)	Apr 25 to Mar 26	USD	94.65	0.00	660.29	661.23	0.94	-	-	14.83	3.78	11.05	100%
13	Bharat Forge International Limited	Apr 25 to Mar 26	USD	94.65	9.92	4,137.82	30,213.54	26,065.81	-	29,996.17	1,072.18	323.05	749.12	100%
14	BF Infrastructure Limited	Apr 25 to Mar 26	INR	1.00	2,239.67	(2,084.67)	162.13	7.13	-	-	(3.34)	-	(3.34)	100%
15	Kalyani Strategic Systems Limited	Apr 25 to Mar 26	INR	1.00	690.80	6,697.05	16,179.91	8,792.06	3,245.52	12,244.71	1,070.76	371.95	698.80	100%
16	Kalyani Rafael Advanced Systems Private Limited	Apr 25 to Mar 26	INR	1.00	398.03	392.78	3,363.91	2,573.10	-	3,354.98	286.54	71.03	215.51	50%
17	BF Elbit Advanced Systems Private Limited	Apr 25 to Mar 26	INR	1.00	19.80	(234.72)	20.89	235.81	-	-	(24.32)	-	(24.32)	51%
18	Zorya Mashproekt India Private Limited	Apr 25 to Mar 26	INR	1.00	7.70	(5.09)	2.76	0.15	-	-	-	-	-	64.94%
19	BFIL-CEC JV	Apr 25 to Mar 26	INR	1.00	-	0.19	0.24	0.05	-	-	2.84	-	2.84	74%
20	Kalyani Centre for Precision Technology Limited	Apr 25 to Mar 26	INR	1.00	690.88	241.31	1,734.50	802.31	12.94	1,313.16	85.94	20.26	65.68	100%
21	Eternus Performance Materials Private Limited	Apr 25 to Mar 26	INR	1.00	1.63	0.16	42.59	40.80	-	32.50	4.07	-	4.07	51%
22	Kalyani Powertrain Limited	Apr 25 to Mar 26	INR	1.00	8,943.13	(6,428.55)	2,938.05	423.47	770.75	1,052.10	(2,542.56)	-	(2,542.56)	100%
23	Tork Motors Private Limited (including Lycan Electric Private Limited)	Apr 25 to Mar 26	INR	1.00	0.42	(1,619.97)	38.36	1,657.91	-	-	-	-	-	64.29%
24	BF Industrial Solutions Limited (Formerly Nouveau Power and Infrastructure Private Limited)	Apr 25 to Mar 26	INR	1.00	5,026.55	147.35	5,476.90	303.00	5,453.98	39.89	(293.20)	-	(293.20)	100%
25	BF Industrial Technology & Solutions Limited (Formerly Sanghvi Forging and Engineering Limited)	Apr 25 to Mar 26	INR	1.00	900.50	160.17	1,363.30	302.63	1.01	1,245.46	92.45	-	92.45	100%
26	J S Auto Cast Foundry India Pvt. Ltd.	Apr 25 to Mar 26	INR	1.00	190.31	5,766.11	9,719.28	3,762.86	446.11	7,570.63	671.98	166.58	505.40	100%
27	Electroforge Limited	Apr 25 to Mar 26	INR	1.00	0.10	(33.56)	289.24	322.70	-	-	(32.25)	-	(32.25)	100%
28	Ferrovia Transrail Solutions Private Limited	Apr 25 to Mar 26	INR	1.00	0.10	(40.01)	5.01	44.92	-	-	(0.76)	(0.04)	(0.71)	100%
29	Kalyani Lightweighting Technology Solutions Limited	Apr 25 to Mar 26	INR	1.00	0.01	(0.39)	0.07	0.45	-	-	(0.13)	-	(0.13)	100%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Part "A": Subsidiaries (contd.)

In ₹ Million

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit Before Taxation	Provision for taxation	Profit after taxation	% of Holding
30	Sagar Manas Technologies Limited	Apr 25 to Mar 26	INR	1.00	0.01	(1.83)	0.96	2.79	-	-	(0.96)	-	(0.96)	51%
31	Agneyastra Energetics Limited	Apr 25 to Mar 26	INR	1.00	0.10	752.73	770.56	17.73	-	-	(16.84)	-	(16.84)	100%
32	K Drive Mobility Solutions Private Limited (formerly AAM India Manufacturing Corporation Private Limited)	Apr 25 to Mar 26	INR	1.00	5,271.40	147.68	8,788.58	3,369.50	-	9,578.00	289.27	69.02	220.25	100%
33	Ageis Advanced Systems SL	Apr 25 to Mar 26	EUR	109.01	0.29	-	0.29	-	-	-	-	-	-	90%
34	Sanghvi Europe B.V.	Apr 25 to Mar 26	EUR	109.01	0.01	11.66	0.07	(11.60)	-	-	-	-	-	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

In ₹ Million

S.N.	Name of Associates/Joint Ventures	Avaada MHVidarbha Private Limited	Aeron Systems Private Limited	Edgelab S.p.A.	Refu Drive GmbH
1	Latest audited Balance Sheet Date	March 31, 2026	March 31, 2026	December 31, 2025	March 31, 2026*
2	Shares of Associate/Joint Ventures held by the company on the year end				
i	Nos.	11,375,000	136,500	769,000	12,500
ii	Amount of Investment in Associates/Joint Venture	120.11	160.83	216.57	116.63
ii	Extend of Holding %	26.00%	37.14%	25.00%	50.00%
3	Description of how there is significant influence	Note-A	Note-A	Note-A	Note-A
4	Reason why the associate/joint venture is not consolidated	Consolidated by equity method	Consolidated by equity method	Consolidated by equity method	Consolidated by equity method
5	Networth attributable to Shareholding as per latest audited Balance Sheet	118.36	135.91	95.33	(114.04)
6	Profit/Loss for the year				
i	Considered in Consolidation	2.66	16.49	(17.44)	(96.42)
ii	Not Considered in Consolidation	7.57	27.91	(52.32)	(96.43)

* The figures pertain to the three-month period ended 30 June 2025. Since management accounts for the year ended 31 March 2026 are not available, the share of loss has been estimated by annualising the loss for the three-month period

Note:

A. There is significant influence due to percentage(%) of Share Capital.

For and on behalf of the Board of Directors of **Bharat Forge Limited**

B. N. Kalyani
Chairman and Managing Director
DIN: 00089380

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 07, 2026



BHARAT FORGE

KALYANI

BHARAT FORGE LIMITED
Mundhwa, Pune Cantonment,
Pune – 411 036, Maharashtra, India.
Phone: +91 20 6704 2777 / 2476
Fax: +91 20 2682 2163
Email: secretarial@bharatforge.com
CIN: L25209PN1961PLC012046
www.bharatforge.com

Concept, Content & Design
(info@wyatt.co.in)