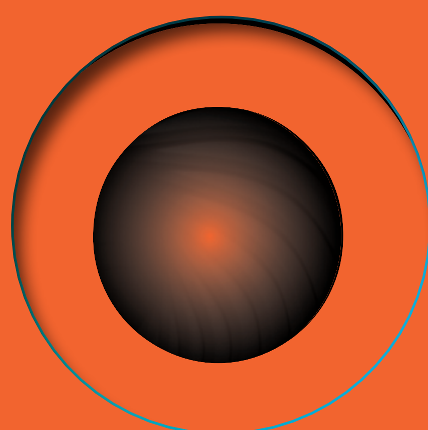
BHARAT FORGE

KALYANI



Integrated Annual Report 2023-24

FORTIFYING THE CORE

Decode the report on your hand-held screen using the code above.

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.

AUDITORS
BSR & Co LLP
Chartered Accountants

COMPANY SECRETARY
Ms. Tejaswini Chaudhari

REGISTERED OFFICE
CIN: L25209PN1961PLC012046
Bharat Forge Limited
Mundhwa, Pune Cantonment,
Pune - 411 036, Maharashtra, India.
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Web: www.bharatforge.com

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About the Report

BASIS OF REPORTING

This is our fifth year of integrated reporting based on the principles of Integrated Reporting <IR> by the International Integrated Reporting Council (IIRC), now part of the IFRS Foundation. This reporting is in line with our philosophy of transparently disclosing information beyond the statutory norms. We have tried to provide holistic insights into our value creation process and factors that may affect it. The Report covers the six capitals – financial, manufactured, human, intellectual, social & relationship and natural – that we use in our business. Further, we cover information on material matters, governance, performance and prospects in context of the external environment. Our intent is to provide relevant information to the stakeholders to better equip them to evaluate our performance and take an informed decision.

REPORTING PRINCIPLE

This Report has been prepared in accordance with:

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

Other international guidelines referred to include:

- <IR> framework of International Integrated Reporting Council (IIRC)
- Global Reporting Initiative (GRI) Standards

BOUNDARY AND SCOPE OF REPORTING

The Report covers financial and non-financial information and activities of Bharat Forge Limited, India from April 1, 2023 to March 31, 2024. We have captured significant material events up to the Board Meeting held on May 8, 2024.

BOARD ASSURANCE

The members of the Board acknowledge having applied their collective minds in the preparation of this Report. They accept the responsibility for its integrity and are of the opinion that the Report addresses all material issues and provides a fair and balanced view of the Company's 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.

OUR CAPITALS

Financial Capital
It represents the capital that we employ in the business to support our operations and execute business strategy for generating returns to our investors and shareholders.

Manufactured Capital
It represents our modern manufacturing facilities and equipment. We continually invest financial capital in it to support our growing scale of operations and enable manufacturing of diverse and evolving range of products.

Intellectual Capital
It represents our knowledge, process, technical excellence, and digital readiness and innovation capabilities led by our research and development (R&D) centers which provide us a competitive edge in the industry. We are continually investing in these to strengthen our ability to develop innovative solutions as per the evolving trends in the industry.

Human Capital
It represents the competencies, experience, engagement level and motivation of our people. They drive the organization's ability to innovate and run business efficiently, better serve customers, maintain strong relations, and achieve strategies.

Social and Relationship Capital
It represents the quality of relationships that we have with the customers, business partners and communities which enhances our reputation, and facilitates business growth and giving back to society.

Natural Capital
It represents the renewable and non-renewable environmental resources that we use in our operations and the impact our operations have on the environment. We are continually investing in these towards making our operations more sustainable.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

For the past two decades, we have been on a remarkable journey of transformation and diversification. We've expanded our capabilities & competencies, strengthened our product portfolio, and broadened our horizons, all with the singular aim of fortifying our CORE - customer relationship, organization, research and engineering capabilities.

We've evolved into a powerhouse of innovation and excellence, backed by our strategic endeavors and technology capabilities. What began with manufacturing components has now evolved into the development of critical systems across a range of sectors. Our journey is a reflection of our skills, fortitude and prudent investments, which enabled us to bolster capabilities across automotive, defence, industrial, and aerospace segments.

Our automotive business has made significant strides. Investments in world-class technology have facilitated the production of high-quality, sustainable solutions. In defence, we've developed a comprehensive range of products and capabilities, poised to meet the diverse needs of global markets. Our industrial castings business has flourished since the acquisition of J S Auto Cast (JSA), becoming a trusted supplier of high-performance castings. Meanwhile, our aerospace segment is at a pivotal point, led by our focused efforts in state-of-the-art facilities and advanced components.

Best-in-class technical capabilities, customer engagement and a pristine balance sheet are the cornerstones of our success, enhancing our competitive edge and opening new avenues for growth. Our engineering and R&D capabilities have been at the heart of every innovation we've undertaken across our businesses.

As we steadfastly move forward, our focus remains on leveraging our strengths, capitalizing on opportunities, and fortifying our CORE. By doing so, we are setting the stage for a prosperous and sustainable future, ready to soar to new heights of success.

HIGHLIGHTS OF THE YEAR

Delivering a strong performance

₹15,682 Crore
Consolidated revenues
21.5% ↑

₹8,969 Crore
Standalone revenues
18.4% ↑

₹4,928 Crore
Standalone export revenues
10.5% ↑

OTHER ACHIEVEMENTS

Record order wins of ₹6,300 Crore in FY2024 driven by ₹4,494 Crore from Defence, ₹1,350 Crore from Core Business, and ₹456 Crore from Ferrous Castings.

Achieved a 4X jump in Defence revenue to ₹1,561 Crore.

The executable order book for Defence as of March 31, 2024 was ₹5,192 Crore; the strong order pipeline provides good earnings visibility for the next 3 years.

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

We've undergone significant transformation in the past two decades, from just an auto components supplier to a reliable & dependable components supplier for auto & industrial applications, solutions provider to defence industry and developing solutions for e-mobility.

Dear Shareholders,

It is my privilege to present to you our Integrated Annual Report for FY2024. This has been an exceptional year for Bharat Forge on many fronts. Our performance in the core forgings business has been strong, the defence vertical has taken off in a meaningful way, and the Indian subsidiaries continue to deliver strong results. While the overseas operations are showing signs of stability, there is still a long way to go before we reach there. The most heartening aspect of the year has been the slow but steady progress in the E-mobility business. I will touch upon all these points in more detail later in my letter.

A THRIVING OPERATING ENVIRONMENT

The macroeconomic volatility and geopolitical tensions have dominated the global economic environment during FY2024. Against this backdrop, India's growth continues to be resilient, underpinned by strong public capex, booming industrial and manufacturing activity, and robust private consumption. India's Gross Domestic Product (GDP) grew by 8.2% in FY2024, making it one of the fastest-growing economies in the world.

8.2%
GDP Growth in FY2024

The global automotive industry has demonstrated resilience despite macroeconomic challenges, such as higher inflation, supply chain disruptions, and rising raw material costs. Demand momentum continued in CY 2023, with the easing of supply chain issues and inventory restocking. Growth was primarily led by the North American and European automotive markets with sustained demand for fleet replacement and personal mobility.

The Indian automobile industry delivered a robust performance in FY2024, propelled by strong economic growth and favorable government schemes. Improved vehicle availability, higher production, and the launch of newer, premium models contributed to a positive consumer sentiment and growth in the Passenger Vehicle (PV) segment. The domestic Commercial Vehicle (CV) segment was marginally impacted by a shift towards higher tonnage trucks with greater payload capacity.

A YEAR OF STEADY PERFORMANCE AND PROGRESS

FY2024 was a year of performance supported by all business verticals. The standalone business achieved revenue of ₹89,686 million, reflecting a growth of 18.4%. EBITDA was up 28% to ₹24,686 million and PAT grew by 36% to ₹14,249 million. The export business surpassed USD 580 million in revenue owing to a sharp increase in the PV export segment, which grew by 33% to ₹12,694 million. A deeper dive into the financials will reflect how de-risked the revenue stream has become, potentially reducing the impact of CV cyclicality.

For the year, the return ratios witnessed a sharp improvement with ROCE% inching towards 20% mark, ROE% closer to 17% and D/E (Net of cash) of 0.20.

Our consolidated revenue grew by 21.5% to ₹156,821 million while PAT increased by 79% to ₹9,102 million.

The consolidated balance sheet remains strong with cash of ₹31,800 million on the books and D/E (net of cash) at comfortable levels of 0.6.

During the year, we secured new businesses worth nearly ₹63,000 million, across automotive, industrial, defence and industrial casting businesses.

Our strategic focus and investments have yielded exponential growth in the defence business. This segment has taken off in a very meaningful way. With robust execution of export orders, we have achieved a strong revenue of ₹15,610 million, with more than 90% being export-driven. Overall, the defence vertical secured new orders worth ₹44,940 million.

Our industrial castings business, acquired in July 2022, has begun to deliver on its promise. In its second year post-acquisition, this segment significantly contributed to our overall growth. J S Auto Cast ended FY2024 with a revenue of ₹5,667 million representing an impressive growth of 29.4% and an EBITDA of ₹755 million, marking a growth of 80%. We are working on several initiatives to enhance operational efficiencies and expand capacities including new product development, which will translate into stronger performance in the future.

The overseas aluminum operations faced a challenging period due to both internal and external headwinds. A steadfast focus on improving capacity utilization, cost optimization, and cost recoveries will deliver the performance envisaged during the project conception stage. In FY2024, our European operations posted an EBITDA of ₹1,410 million, while the US operations reported an EBITDA loss of ₹953 million. The aluminum assets will capitalize on the megatrends of lightweighting and new mobility technologies. The products produced in the EU and NA are powertrain agnostic with supplies to both ICE and EV platforms.

21.5%
Consolidated revenue growth in FY2024

BUILDING A STRONGER ENTITY FOR THE FUTURE

We've undergone significant transformation in the past two decades, driven by the belief that the industry will increasingly shift towards emerging technologies and benefit from the booming domestic economy. We have established the necessary levers and executed meaningful investments to lay the groundwork for a robust future.

Our evolution from a manufacturer of critical auto components to a supplier of critical components and products/systems across multiple sectors has led to exceptional outcomes over a period. We have focused on creating opportunities in our areas of strength: material science, metallurgy, and metal forming and leveraging our customer relationships. With these as our foundation, we aim to move up the product and system value chain across various verticals, with an emphasis on technology and innovation.

29.4%
Growth in industrial casting business in FY2024

We've strengthened our core business and expanded capabilities across automotive, defence, industrial, and aerospace segments through the introduction of new products, technological advancements, and acquisition of marquee customers. We have also enhanced our execution competencies with a combination of dedicated plants and a strong human resource pool, positioning Bharat Forge for sustained growth.

The Defence business represents a critical pillar in our growth strategy. It's a sector which we seeded in 2013 and has taken 10 years to bear fruit. With a comprehensive range of world-class products, including towed, mounted, and ultra-light guns, as well as protected vehicles and unmanned systems incubated through indigenous technologies, we are well-positioned to meet the diverse needs of global markets. Our commitment to innovation and excellence has led to the development of nine platforms in the artillery segment. We are now building the capability to manufacture over 250 guns and 1,000 vehicles per annum. Our manufacturing ecosystem will be structured to exceed this capacity should the demand rise. Since inception, we have been categorical about the activities we will not undertake as part of the defence business, which includes all weapons and systems banned by various UN and other international conventions. In FY2025, the defence vertical will transition entirely into our 100% owned subsidiary, Kalyani Strategic Systems Limited (KSSL) once the new facilities are fully commissioned and licenses are transferred.

The defence business will not venture into businesses barred under various UN Conventions including those which ban manufacture and use of cluster munitions.

Our industrial castings business has demonstrated remarkable progress since its acquisition in June 2022. This business has enhanced our overall capacities and capabilities, enabling us to deliver high-performance castings to a broad range of industrial and automotive applications. Leveraging advanced manufacturing techniques and focusing on quality has positioned us as a trusted supplier in this sector. Given JSA's strong reputation, accomplished management, and a superior talent pool, we expect robust growth in the coming years. With its ability to deliver high-quality complex castings, we anticipate JSA will become one of India's top three casting suppliers.

Our aerospace business is on the cusp of a significant breakthrough. Investments in cutting-edge technology and facilities have enabled us to become a key player in the aerospace supply chain for global leaders, aligned with the Atmanirbhar Bharat initiative. We are developing advanced components that meet the stringent requirements of the aerospace industry, ensuring safety, reliability, and performance. Our continued efforts in this segment are set to yield substantial growth, driven by increasing demand and our ability to innovate continuously.

The overseas business has significantly graduated from steel to aluminum forgings. Our priority remains to achieve sustainable profitability in our overseas business. The European operations are already in the black, and we expect our US operations to achieve operational stability in the coming year. We anticipate robust performance from our overseas subsidiaries in FY2025, driven by strong demand for drive train-agnostic components.

As we endeavor to stay future-ready in an evolving technology landscape, I am pleased to inform you that we have inaugurated a state-of-the-art digital center with advanced capabilities in AI/Machine Learning and IoT applications. These investments will help us make our manufacturing process more competitive and enable us to incubate future technology capabilities and talent development.

Our investments in e-mobility are showing promise. We continue to build capabilities and competencies aligned with the needs of the end consumer. All our endeavors in this space will be organic in nature, utilizing our own technology and know-how.

As our new, high-potential verticals gain traction and become profitable, we expect capex intensity to reduce and return ratios to improve. A stronger foothold in less cyclical sectors and diversification across B2B, B2G, and B2C customer segments will translate into consistent revenue generation. We are confident that our dedicated efforts, strategic pivots, and focus on technology and innovation will fortify our core and drive our success.

CONTRIBUTION TO SUSTAINABILITY

Sustainability is an integral part of our business, and we remain committed to advancing sustainability across operations. We aspire to lead ESG in the manufacturing space and have set bold targets for the same. Accordingly, we have institutionalized an ESG framework at the Board level. This framework acts as a guide for all our decisions. Consistent progress has been made in the areas of stakeholder engagement, resource efficiency, climate change, supply chain sustainability, customer engagement, risk management, ethics, and compliance. Our unwavering commitment towards reduction in emissions, increased use of secondary raw materials, optimal use of resources, and enhanced use of green energy remains on track. As a testament to our efforts, Bharat Forge's ESG score has seen significant improvement over the previous year. While maintaining a laser-sharp focus on implementing ESG initiatives, we ensure that the outcomes are intertwined with our business priorities, ensuring sustainable growth.

We continue to prioritize R&D, quality, technology and engineering excellence, and sustainability in operations which positions us on a stronger footing.

THE BIG PICTURE

Bharat Forge is a company in constant evolution and in value creation mode. At the core, we remain focused on innovation, indigenization, and customer satisfaction. As the new verticals grow in scale, size, and reputation in their respective domains, we expect the financial profile of the parent company to massively transform into a cash-generating entity focused on incubating newer businesses and verticals. Exciting times are ahead as we focus on execution, creating a very vibrant and dynamic talent pool. The Bharat Forge of circa 2030 will be an engineering conglomerate spanning various sectors and applications.

ACKNOWLEDGMENT

I extend my gratitude to all our employees, customers, supply chain partners, investors and the Government of India for their continued support. Looking ahead, the opportunities before us are abundant. We have cemented our position as an eminent player in the industry with large capacities, high-end technologies, operational excellence, and a talented workforce. Now with our ambitious plans, we are well-positioned to continue our journey of growth and innovation. Our strategic investments, technological advancements, and unwavering commitment to quality and customer satisfaction will propel us into the next orbit of success.

I remain dedicated to our continued success and look forward to working with each one of you to take Bharat Forge to greater heights and create value for all.

Warm regards,

B N Kalyani

Chairman and Managing Director

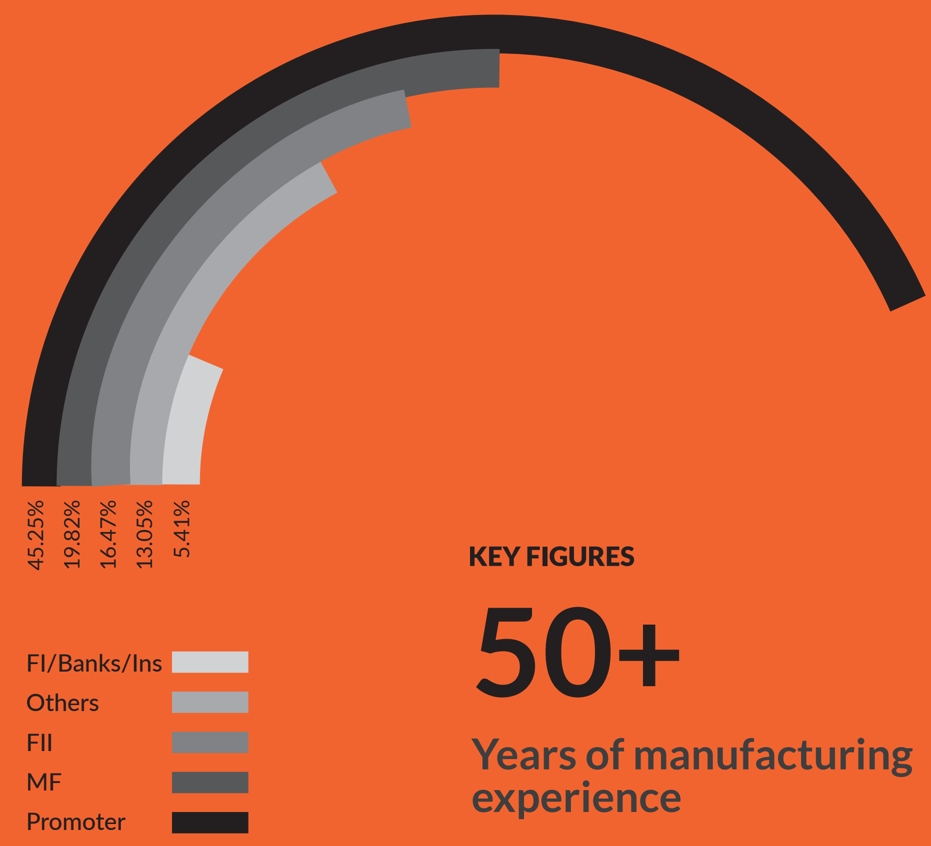
ABOUT BHARAT FORGE

Globally recognized in innovation and advanced engineering

Bharat Forge has evolved into a diversified, global conglomerate, engineering critical solutions for automotive and industrial OEMs. Our engineering excellence, cutting-edge manufacturing and R&D expertise form the bedrock of our operations. We have constantly pushed the boundaries of technological advancements, creating indigenous products and solutions that meet the highest standards of quality and performance.

Our multi-sectoral engineering expertise, full service supply capabilities, and innovative solutions have driven our transformation from a single-product, single-location enterprise into a diversified, multi-product company serving diverse sectors. Our newer and emerging businesses, including E-mobility, automobile light-weighting, defence, and aerospace, are making remarkable strides. This progress is a testament to our continued efforts in pivoting these sectors, strengthening our foundation as a key player in the global market.

OWNERSHIP STRUCTURE



KEY FIGURES

50+
Years of manufacturing experience

30+
Years of exporting experience

₹52,592 Crore
Market capitalization

(As of March 31, 2024)

Expertise across diversified businesses

AUTOMOTIVE

Commercial Vehicles | Passenger Vehicles | E-mobility

Our Expertise

- India's largest auto component exporter
- Amongst world's leading powertrain and chassis components manufacturers having front-line design and engineering, dual shore manufacturing and full-service supply capabilities
- Products supplied to leading global automotive OEMs and Tier I suppliers
- Capability across steel and aluminum forgings and castings
- Process knowledge and manufacturing competencies

INDUSTRIAL

Power

Our Expertise

- Manufacturing critical components for thermal, wind, hydro and nuclear applications across geographies
- Providing solutions for renewable energy across steel forgings and ferrous castings

Resources (Oil & Gas, Construction & Mining)

Our Expertise

- Manufacturing critical, high-end construction and mining components
- Highly durable products for use in extreme applications
- Explore potential for sub-systems leveraging wide construction equipment component manufacturing competence of J S Auto Cast
- Providing solutions across steel forgings and ferrous castings

Defence and Aerospace

Our Expertise

- Indigenous capabilities in defence business across metallurgy and material science, advanced technologies (embedded electronics, control systems, AI & data analytics) and platform / products development enabling full system capabilities across artillery systems, protected vehicles, armored vehicles and unmanned systems
- Reputation of manufacturing top-quality rotating and landing gear components for global aerospace players with zero-defect supported by end-to-end digitized operations
- A long-standing supplier of critical components to Indian defence establishments and global aerospace players
- Providing solutions across steel and titanium forgings

Rail and Marine

Our Expertise

- Leading railway engine components manufacturer in domestic and global markets
- Capability of supplying indigenously developed turbochargers for rail applications

General Engineering

Our Expertise

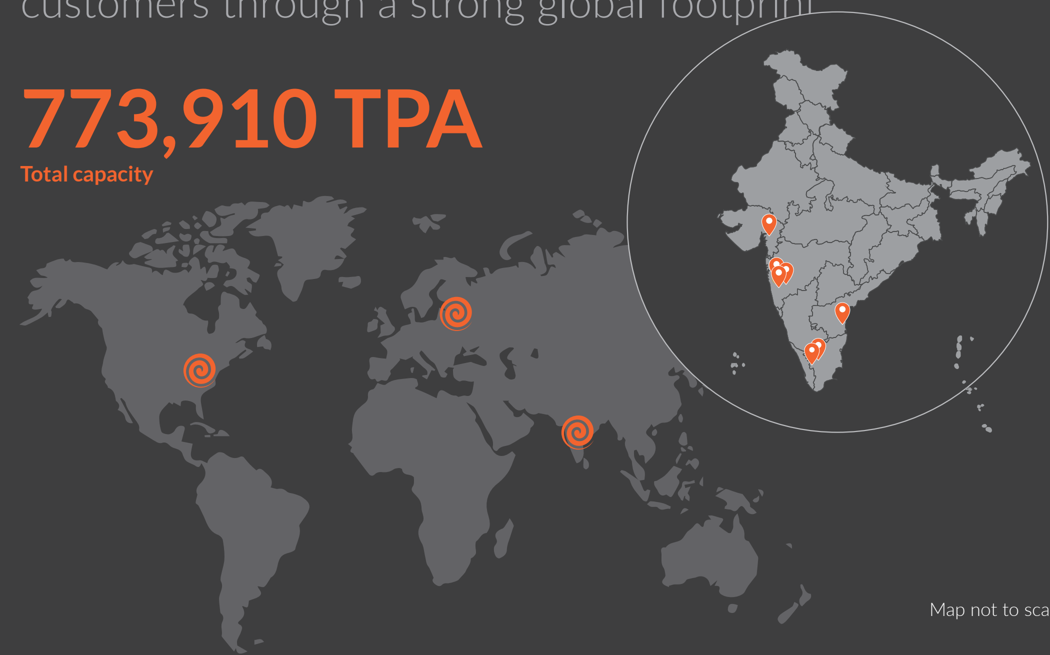
- Manufacturing high quality and durable products for a range of heavy engineering applications

GEOGRAPHIC FOOTPRINT

A well-entrenched presence

Bharat Forge is a global engineering player with a prominent presence in the key markets of India, North America and Europe. Our operations span across 15 manufacturing facilities in five countries. We provide support and value-added services to our customers through a strong global footprint

773,910 TPA
Total capacity



Map not to scale. For illustrative purposes only

India
11
Manufacturing plants

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

Iron Castings Plant: Coimbatore, Erode

Aluminum Castings Plant: Nellore

Bharat Forge
Steel Forging Capacity
403,750 MTPA
Aluminum Casting Capacity
2,400 MTPA

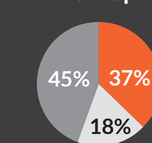
J S Auto Cast
Iron Casting Capacity
77,760 MTPA

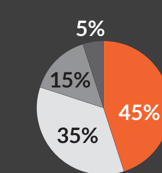
BF Industrial Technology & Solutions
Steel Forging Capacity
20,000 MTPA

North America
2
Manufacturing plants
Steel Forging Capacity
30,000 MTPA
Aluminum Forging Capacity
10,000 MTPA

Europe
5
Manufacturing plants
Steel Forging Capacity
190,000 MTPA
Aluminum Forging Capacity
40,000 MTPA

Standalone Revenue Break-up





BUSINESS MODEL

Led by a sustainable value-creation model

INPUTS

Financial Capital

Total capital employed	₹151,876 Million
Debt to equity ratio (Net)	0.22
Capex	₹5,089 Million

Manufactured Capital

Number of manufacturing plants	6
Material cost	₹38,301 Million
Manufacturing costs	₹12,245 Million
Total capacity	403,750 TPA

Intellectual Capital

R&D spending	₹582 Million
R&D spends as a % of revenue	0.65%
Patents granted till date	97
R&D team strength	242

Human Capital

Total employees	4,114
Employee benefit expense	₹6,014 Million
Training hours per employee	25.98

Natural Capital

Renewable energy	85.11 MW
% of energy consumed from renewable sources	39%
No. of trees planted	106,000

Social and Relationship Capital

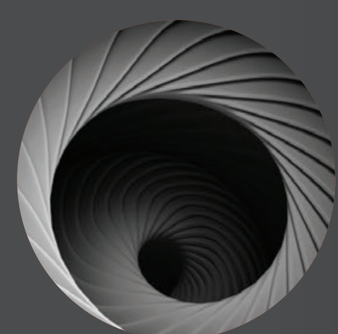
CSR spending	₹171 Million
Employee volunteers	3,000

- CSR focus areas - Village Development, Education, Health, Community Development, Skill Development

SOURCES THAT ENABLE OUR VALUE CREATION

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

VALUE CREATION MODEL AND PRINCIPAL ACTIVITIES



R&D, technology and innovation

Manufacturing

Customer relationships

Engineering-driven product development

OUTPUTS

272,242 tons

Total tonnage

KEY SEGMENTS

Automotive

- Commercial vehicles
- Passenger vehicles

Industrial

- Capital Goods, Oil & Gas
- Wind, Nuclear
- Rail
- Marine
- Aerospace
- Construction and mining
- Defence
- Agriculture

OUTCOMES

SDGs IMPACTED

Financial Capital

Total income	₹89,686 Million
EBITDA	₹24,687 Million
PAT	₹14,250 Million
Total Dividend per share (interim + proposed final dividend)	₹9
RoCE (net of cash)	20%

SDGs: 8

Manufactured Capital

Tonnage shipped	272,242 MT
Automotive segment revenue	55%
Industrial segment revenue	45%

SDGs: 9, 12

Intellectual Capital

Process improvement	13
Product improvement	16
Technical papers published and presented	8

SDGs: 9, 12, 17

Human Capital

Employee productivity (revenue per employee)	₹21.8 Million

SDGs: 3, 5, 8

Natural Capital

Waste water recycled	100%
GHG emissions avoided by use of RE (tCO_2e)	108,913
Reduction in waste intensity (MT/MT of production)	10.8%

SDGs: 6, 7, 12, 13, 15

Social and Relationship Capital

Lives touched through CSR	231,544
Women empowered	900
Students benefited	36,978
Youths skilled	3,251

SDGs: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

STRATEGY

Identifying strategic priorities to fortify growth

Our strategic roadmap encapsulates our vision for the future. These priorities are meticulously crafted to leverage our core competencies and effectively capitalize on opportunities for long-term growth and value creation.

BUSINESS	STRATEGIC ACTIONS
Commercial Vehicles	Growth driven by increased content per vehicle and market share gains
Passenger Vehicles	Expanding market share and increasing value-add
Industrial	Multiple product offerings across different sectors balancing volatility
Defence	Focus on products to increase breadth and depth of offerings across land and naval
Aerospace	Value addition via sub-assemblies and assemblies
Foreign Subsidiaries	Rejuvenate operations through cost optimization and focus on powertrain agnostic components
J S Auto Cast	Focus on newer and complex products; diversify across sectors and customers
Additional Growth Drivers	Integrate advanced technology in all facets of the business, potential M&A to expand product offerings

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders to create better value

We are deeply committed to our stakeholders, valuing their opinions and concerns through effective engagement mechanisms. These insights enable us to understand their expectations and shape our strategies to deliver lasting value for all.

STAKEHOLDER ENGAGEMENT PROCESS

Identification of key issues that will shape our operating environment as well as potential long-term and medium-term challenges

Examining cause of the challenges in designing effective mitigation strategy

Recognizing opportunity as market changes to stay ahead of competitors

Understanding potential disruptions to markets, business models and supply chains and be prepared to respond

Developing relationships with experts who will enable proactive shaping of our business model

PG. 117
Read more on our stakeholder engagement in the Business Responsibility and Sustainability Report section.

VALUE CREATED IN FY2024

Employees
₹6,014 Million
Employee benefit expense

Shareholders
₹4,190 Million
Total dividend (proposed + paid)

Communities
₹171 Million
CSR spending

Government
₹4,703 Million
Provision for taxes

Customers
Differentiated products and solutions with engineering support

Business partners
Strengthened long-term partnerships

MATERIALITY

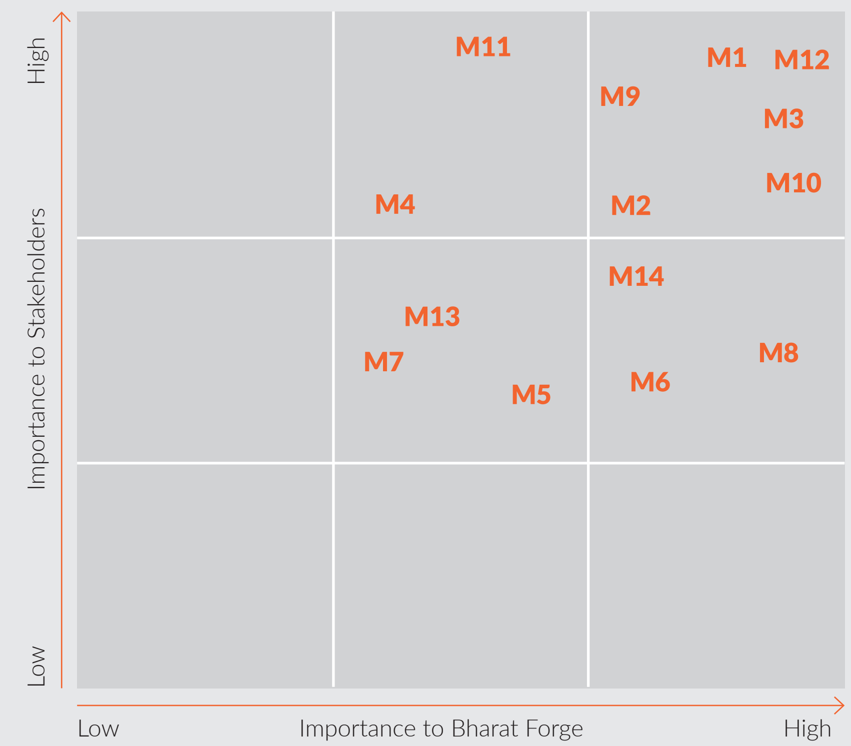
Mapping material matters for effective resolution

We recognize the importance of identifying and addressing the most pressing issues affecting our business and stakeholders to ensure long-term value creation. We have a well-structured approach to analyze material issues, allocate resources, and develop strategies to manage them in a meaningful way.

APPROACH TO MATERIALITY

We have conducted an in-house engagement activity involving teams from all functions and stakeholders to identify key material issues impacting our business. This process was informed by routine engagements with external stakeholders, survey-based feedback from internal stakeholders, and benchmarking against industry peers, all the while adhering to the GRI standard principles of materiality.

OUR MATERIAL MATTERS



M1 Sustained performance & quality

M2 Health, safety and environment

M3 Climate change

M4 Intellectual property

M5 Innovation

M6 IT, data center & 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

PG.117

Read more on our materiality assessment in the Business Responsibility and Sustainability Report section.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Committed to a sustainable future

SUSTAINABILITY FRAMEWORK

Our sustainability framework forms the foundation of our approach, guiding our actions to address material risks and opportunities that impact our customers, investors, employees, value chain partners, and the communities in which we operate. This framework underpins our commitment to sustainability and drives our continuous evolution towards best practices and solutions. We have adopted a top-down approach to embed the values of sustainability across our operations, ensuring that our commitment permeates every level of our organization.

We've pledged to become leaders in ESG within the manufacturing sector – a bold ambition powered by a clear purpose. This belief drives our ESG mission and fuels our sustainability initiatives and investments. To mainstream ESG into our operations, we have set ambitious targets and developed a robust decarbonization roadmap. An ESG Committee, led by our Executive-cum-Joint Managing Director, ensures oversight and guidance, reinforcing our dedication to creating a sustainable future.

Sustainability lies at the heart of our operations. We have integrated ESG into our business strategy, set ambitious goals and deployed practices to create a positive impact on our planet, people, and communities. Our well-defined ESG/Sustainability framework drives us to achieve excellence in our endeavors while building a better tomorrow for everyone.

POSITIVE SHIFT IN ESG RATINGS

The Company understands well that ESG is about assessing the impact of environmental, social and governance issues on a company's performance. Also, every rating agency has its own definition of what it considers those issues to be. Bharat Forge took cue from this and started working on various aspects of ESG. This helped Bharat Forge to change its narrative around ESG and improve the ratings.

Careful consideration of the requirements in the questionnaire used by different agencies to do the ESG assessments has provided insights on the disclosures that need to be made by the Company.

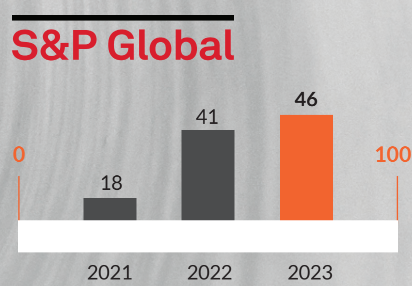
Specific efforts were made to improve the ESG ratings and ensure our priorities are aligned with the priorities of our customers and investors. To demonstrate the Company's focus towards ensuring a sustainable business, ESG committee was formed at the Board level. The Committee provided directions and guidance to draft the ESG strategy and roadmap. Since then, ESG mandates are factored in all decisions including investments made by the Company. A gap analysis against its peers helped the Company to identify the areas which need to be focused on short term as well as long term. Materiality assessment supplemented the efforts made as part of the gap analysis.

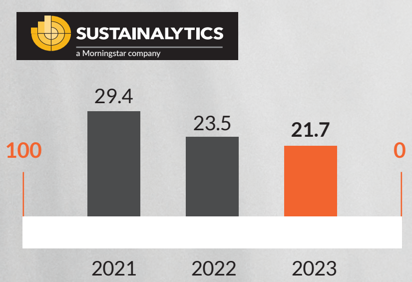
In the CDP (Carbon Disclosure Project) Assessment, the Company was at 'F' in 2021. Prompt disclosures were made around the mechanisms deployed in the system to monitor the energy consumption and the energy efficiency projects taken up year-on-year. Also, actions such as mapping of carbon footprint for the organization and the commitment made to Science Based Targets Initiative (SBTi) to reduce near-term emissions strengthened the aspect of climate strategy. The Company was reporting the direct and indirect emissions earlier, which then included the Scope 3 emissions in the assessments. This helped the Company to gain 'B' rating in 2023 and proved that Bharat Forge is truly concerned about climate change and keen on actions around climate mitigation and adaptation.

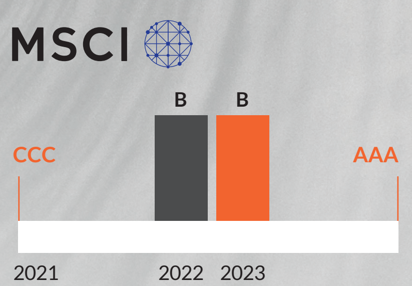
In the S&P Global Assessment, the Company had a rating of '18' in 2021. Again, prompt disclosure of the existing policies and practices around regulatory compliances, environmental initiatives, human rights compliance, human capital development, health and safety helped it to move to '41' in 2022. The Company continued with the actions such as framing of missing policies, revamped its risk management framework and focused on supply chain sustainability. This helped the Company to improve its score to '46' in 2023.

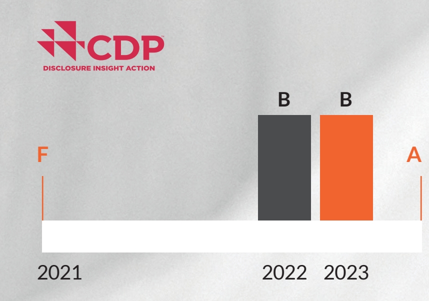
Publishing GRI-based Sustainability Reports for the Company three years in a row since FY2021 ensures that interested stakeholders are made aware of the initiatives taken by the Company around sustainability. While the report published in FY2021 was not assured by a third party agency, the reports published in the subsequent financial years were assured by third party agency. This helped in improving the Sustainalytics rating of the Company from '29' in FY2021 to '21.7' in FY2023.

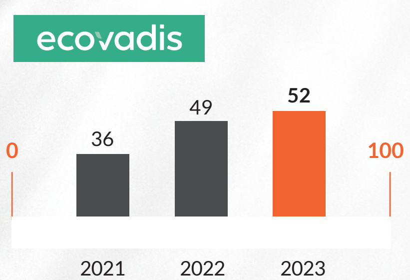
Focus was maintained towards supply chain sustainability and initiatives such as revision of Supplier Code of Conduct and general terms & conditions, and supplier sustainability assessments. This helped the Company to move from a score of '37' in 2021 to '52' in 2023 in the EcoVadis assessments.











ESG GOALS

Environmental

Improving Resource Efficiency

- 80% of electrical energy to be renewable by 2030
- 60% reduction in energy intensity by 2030
- 40% absolute reduction in freshwater consumption by 2030
- 60% recycled water use by 2030
- Water positive by 2030
- Zero waste to landfill by 2030

Reducing Emissions & Waste

- 50% lesser Scope 1 & 2 emissions by 2030
- 30% lesser Scope 3 emissions by 2030
- 50% waste intensity by 2030
- 50% secondary raw material by 2030
- Carbon neutral in operations by 2040

Social

Growing Human Capital

- >75% in employee engagement by 2030
- 75% reduction in lost time incidence frequency rate by 2030
- 20% women in managerial & leadership positions

Engaging Business Partners

- Ensuring ESG practices at suppliers by 2030
- 50% RE use by top suppliers by 2030
- PCF for mainstream products by 2030
- 30% lesser CO_2 in/unit by 2030

Giving Back to Communities

- Plant 1 million trees by 2030
- 100 green villages by 2030
- Contribute to education & skill development

Governance

Compliance to Ethics

- Deployment of business ethics policies
- 100% of employees trained on business ethics policy

Good Governance

- Robust compliance management system and 100% compliance
- Ensure effective data privacy management

Note: 2019 is considered as baseline year

SUSTAINABILITY CONTRIBUTIONS TO UN SDGs

Environmental

- Progress towards low carbon economy by enhancing the share of renewable energy, conversion to cleaner fuels, and by achieving energy efficiency in operations
- ISO 50001:2018 Energy Management system implemented in all sites
- Estimated the GHG emissions from operations and identified actions to reduce them further
- Improving resource efficiency by focusing on reduce, recycle, and reuse principle. Increased the use of secondary raw materials in the process
- Reducing waste generation, disposing of them effectively and moving towards the aim of achieving Zero Waste to Landfill
- Monitoring and controlling water consumption through the existing water management system. This helps in reducing freshwater consumption, increasing the use of recycled water, and will support us in achieving water positivity in the coming years

Social

- Deployment of best practices towards employee health and safety to reduce workplace incidents
- Train employees on emerging technologies and enable them to understand advanced engineering concepts
- Human Rights due diligence check in the operations to ensure compliance with human rights
- Established a strong connection with the suppliers on their commitment towards our Supplier code of conduct and supplier self-assessments on sustainability
- Sustained engagement with customers through digital platforms and team visits to deliver on new product development needs
- Undertaking holistic development in 100 villages covering areas of water availability, livelihood opportunities, enhancing healthcare, promoting education and creating infrastructure. Six of these villages have been assessed and certified as 'Green Villages' by an external agency
- Undertaken programs on education and skill development for youth, women, and farmers to empower them

Governance

- Conformance to ethical practices and regulatory requirements with no instances of non-compliance. Maintained our track record of being a trusted organization
- Ensured high standards of governance and accountability; submitted BRSR report to SEBI, published GRI-based Sustainability Report and inputs as part of Integrated Annual Reports
- Driving innovation and technology for good that includes lightweighting of automobile components to increase fuel-efficiency
- Developing e-mobility solutions for cleaner transport, and Industry 4.0-led innovative technologies to increase plant productivity
- Implementation of robust cyber security practices to ensure protection of customer data and our assets
- Ensuring job creation and economic growth in our operational regions
- Materiality Assessment (Double Materiality) to review the existing Material ESG issues and the ESG Roadmap

FINANCIAL CAPITAL

Strengthening financial resilience for the future

Our commitment to creating value for all stakeholders is unwavering. We prioritize efficient funds management and strategically deploy capital to maximize shareholder returns and capture new growth opportunities across businesses.

SDGs IMPACTED

8 DECENT WORK AND ECONOMIC GROWTH

FORTIFYING GROWTH WITH A STRONG CORE

Bharat Forge continues to transition and transform from a pure-play forgings business to a well-diversified, manufacturing conglomerate with expertise in metallurgy. In this journey, we've made substantial investments in developing capacity and incubating home-grown technologies. Our aspiration for growth has driven us to take the inorganic route, allowing us to diversify and leapfrog ahead of the competition. The acquisition of J S Auto Cast exemplifies this strategy.

We have always balanced our growth aspirations with financial prudence. Our cash balance of ₹25,250 million and a net debt-to-equity ratio of 0.22 reflects our pragmatic approach. Our pristine balance sheet provides us the flexibility to commit capital expenditure, incubate new businesses, invest in new technologies, and undertake strategic mergers and acquisitions. Through these initiatives, we aim to enhance returns, insulate ourselves from potential cyclicality as well as stay future-ready.

Over the past few years, we have made significant investments in our subsidiaries across varied sectors such as Defence, EV, Industrial Castings, Overseas Aluminum Forgings, etc. While some of these capital allocation decisions are beginning to show the desired impact, others are progressing steadily.

Bharat Forge's core business continues to generate sufficient cash flows to fund its capex and investment needs. In the spirit of translating these returns as value for our shareholders, the Board of Directors has recommended a final dividend of 325% for FY2024.

Financial Highlights

	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue from Operations (₹ Million)	45,639	36,515	62,546	75,727	89,686
EBIT (₹ Million)	6,050	3,687	12,686	15,020	20,267
PBT (Before Exchanged Gain/Loss) (₹ Million)	7,109	4,312	13,288	14,398	19,016
PAT (₹ Million)	4,735	3,121	10,778	10,455	14,250
Net Worth (₹ Million)	53,551	59,486	71,098	77,000	85,688
Debt Equity Ratio (Net of Cash)	0.26	0.16	0.20	0.29	0.22
ROCE (Net of Cash) (%)	10.5	5.3	16.7	16.2	20.0
RoNW (%)	8.8	5.2	15.2	13.6	16.6

18.3%
10-year CAGR for market capitalization

Value Created for Shareholders

Market Capitalization (₹ Million)

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
98,193	297,243	203,253	242,595	325,688	238,532	109,374	277,468	326,199	358,645	525,920

₹65
Total dividend paid per share in 10 years

₹2,398
Total dividend paid per share in 10 years (₹ in crore)

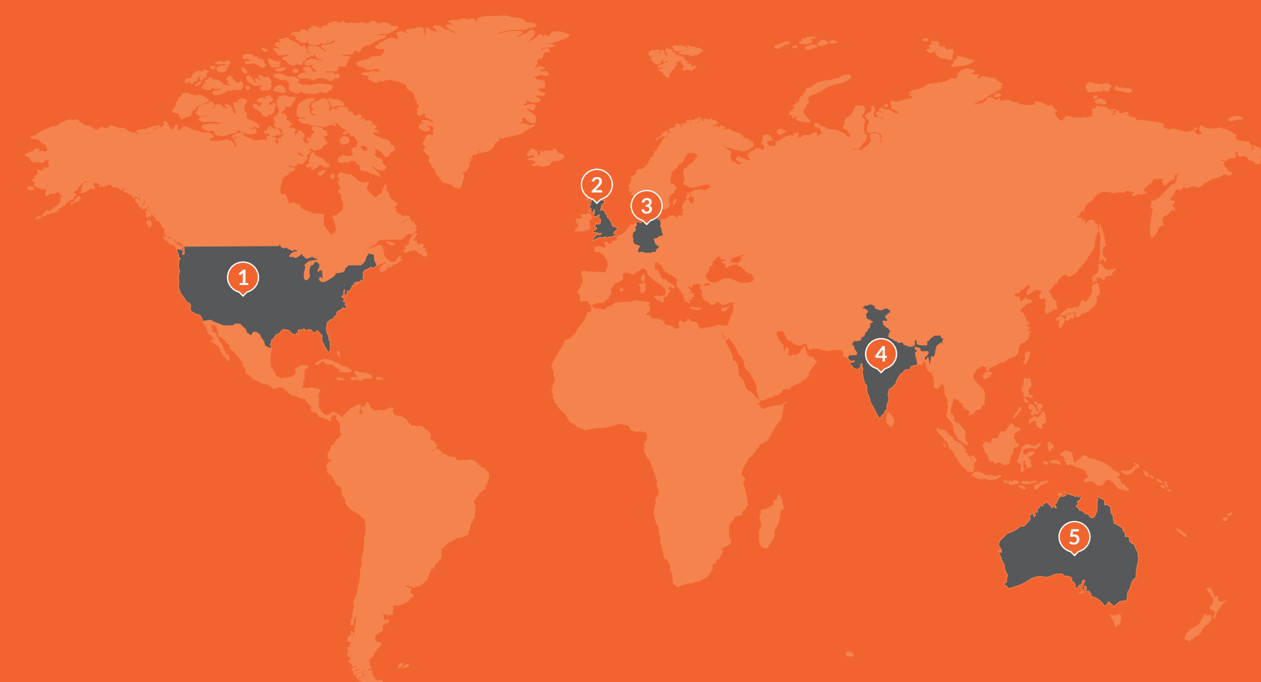
INTELLECTUAL CAPITAL

Pioneering innovation and technological excellence

We have developed robust R&D competencies backed by decades of engineering expertise and accumulated intellectual capital. This foundation enables us to develop world-class products and solutions that respond to customers' evolving needs and contribute to sustainable growth.

SDGs IMPACTED

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



1. North America

- University of Texas (US)
- Kalyani Mobility Michigan, North America

2. UK

- Catapult Centres (UK)
- Manchester University (UK)
- Warwick University (UK)
- The Welding Institute (UK)
- Advanced Manufacturing Research Centre (UK)

3. Germany

- Fraunhofer (Germany)
- RWTH Aachem (Germany)

4. India

- BITS Pilani, Rajasthan (India)
- IIT Bombay, Mumbai (India)
- COEP, Pune (India)
- Defence Institute of Advanced Technology, Pune (India)
- Center for Technology & Innovation, Pune (India)
- Center for Manufacturing Innovation, Pune (India)
- Center for Embedded Systems & Controls, Hyderabad (India)
- Center for Jet Propulsion, Bengaluru (India)

5. Australia

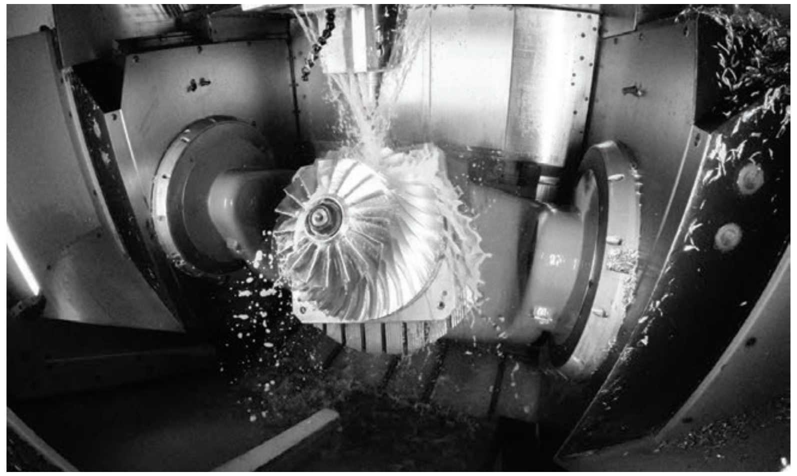
- Deakin University (Australia)

Academic Excellence | Institutional Research | Innovation Centers

OUR R&D INFRASTRUCTURE

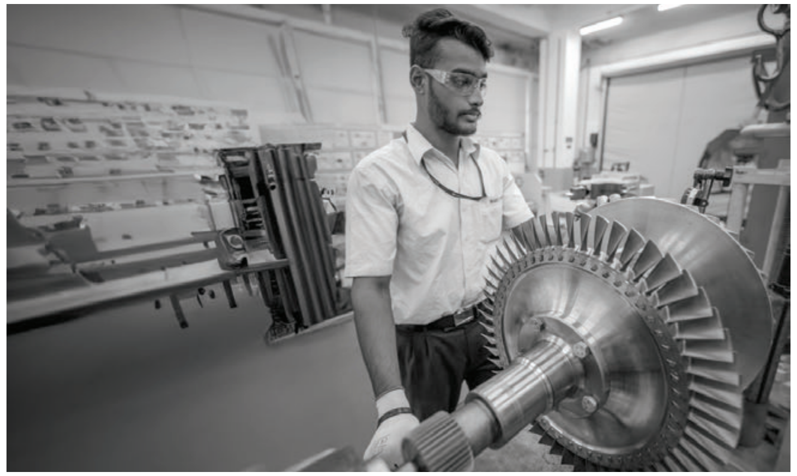
Kalyani Centre for Technology and Innovation (KCTI)

- Provides advanced technical training and academic courses to our employees
- It undertakes R&D in metallurgical properties of various metals, optimization of forging processes, value addition and value engineering (VA/VE), development of total systems, co-develop products and processes with Bharat Forge



Kalyani Centre for Manufacturing Innovation (KCMI)

- It undertakes R&D in new product development, incubating new technologies through rapid prototyping, establishing design for manufacturing processes and technologies



Kalyani Mobility

- It supports product development for light-weighting and e-mobility business
- Incubating disruptive technologies in material alloys and manufacturing processes

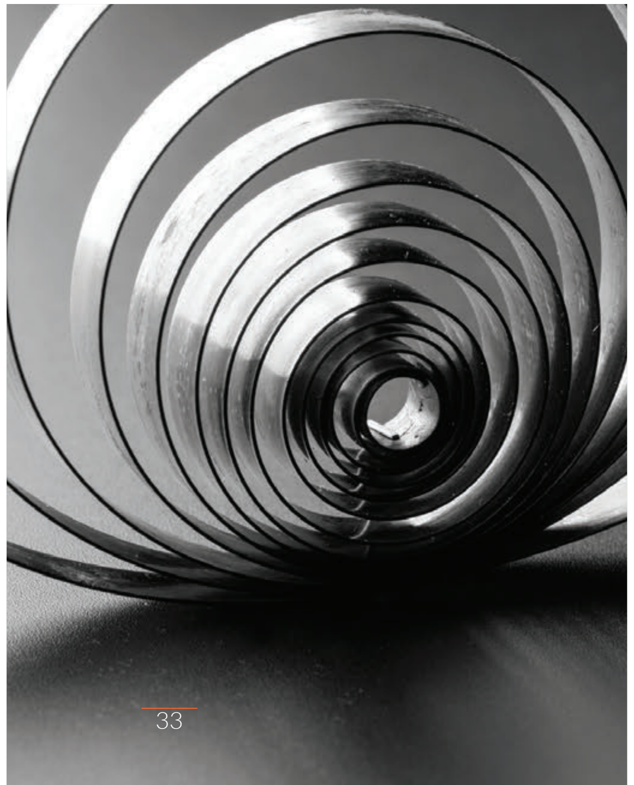
Bharat Forge has always prioritized investments in research & engineering with a focus on providing solutions for unmet customer needs. We proactively identify trends, build proof of concepts, and produce innovative products in the marketplace. Over the years, extensive investments in R&D with a focus on building products have opened up newer avenues like Defence and Aerospace. To build a robust R&D pipeline, we've established the necessary human capital as well as technological depth. We have also consciously separated our research and commercial teams to help streamline the product pipeline in line with the needs of the marketplace.

HIGHLIGHTS FY2024

242
R&D employee strength

97
Total patents granted till date

54
New products developed



MANUFACTURED CAPITAL

Bolstering capabilities for meeting global demand

We have bolstered our competitiveness as a critical supplier in key global markets, in line with the 'Atmanirbhar Bharat' initiative. Continued investments in capacity expansion projects with the latest technological and product advancements will enable us to maintain our leadership and deliver exceptional value to customers worldwide.

SDGs IMPACTED

EXPANDING MANUFACTURING CAPABILITIES

We foresee tremendous opportunities to enhance our manufacturing capacities and competencies to propel our market share and growth. In FY2024, we spent ₹5,089 million towards various capital expenditure projects.

GLOBAL MANUFACTURING STANDARDS

Bharat Forge Certified Under Standards	Scope	Sector
ISO 9001 : 2015	Forging, Machining and Fabrication of components	Engineering & Capital goods
IATF 16949 : 2016	Forging and Machining for Steel components	Automotive
AS 9100 : 2016	Forged and machining	Aerospace
NADCAP	Covers manufacturing and testing process	Aerospace
ISO/IEC 17025 : 2017	General requirements for testing process	Automotive / Aerospace
API Spec Q1 & 20B	Heavy forging using steel alloys	Oil & Gas
ISO 14001 : 2015		Environment Management
ISO 45001 : 2018		Occupational Health & Safety
DGAQA	Manufacturing and Machining Steel, Titanium & Alloy forging	Aerospace Quality Assurance
ISO 27001 : 2013		Information Security
ISO 50001 : 2018	Energy Management System	Overall Energy consumption

HUMAN CAPITAL

Nurturing a thriving workforce

Our employees are fundamental to our success and innovation. We are committed to fostering a dynamic and inclusive workplace and providing opportunities for learning and development, ensuring that our team members can contribute to our growth objectives.

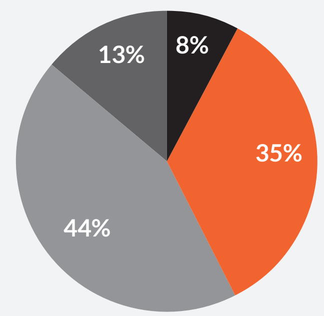
SDGs IMPACTED

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

DIVERSITY AND EQUAL OPPORTUNITY

We aim to create an open work environment that fosters inclusivity and equality. We recruit employees from diverse backgrounds and experiences, irrespective of ethnic origin, culture, religion, age, gender, sexual identity, or any other status, enriching our organization with various perspectives.

By Qualification



- Post-graduates + PhD **328**
- Graduates **1,437**
- Diploma + ITI **1,792**
- Others **557**

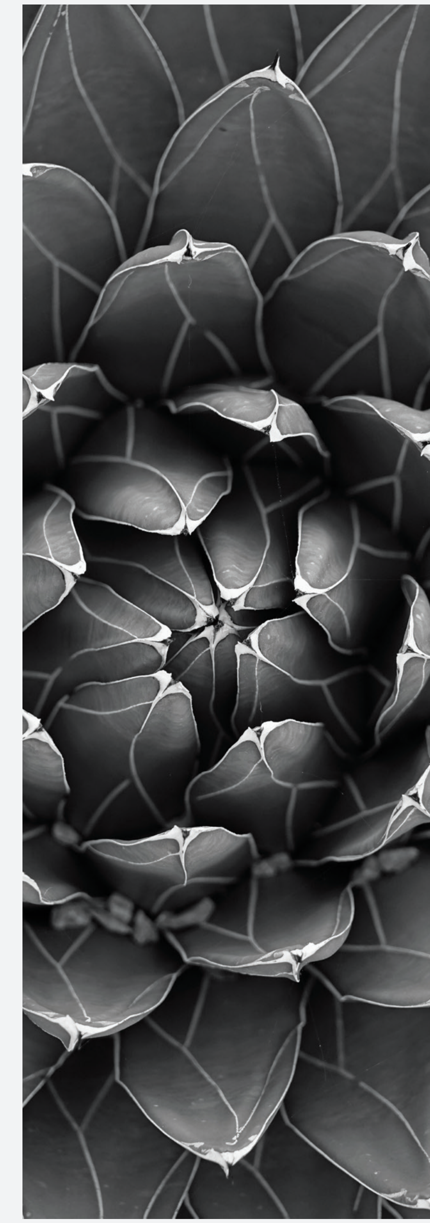
As part of our efforts on diversity and inclusion, we launched the Women on Shop-Floor program to enhance diversity on the shop floor and create a thriving environment for women employees. With comprehensive training and support, we equipped women employees with the necessary skills and confidence to excel on the shop floor.

TALENT MANAGEMENT

We sharpened our focus on Talent Management and Succession Planning to identify and groom talent for future organizational needs while addressing individual career aspirations. These initiatives include rigorous assessments to map high-potential and critical roles, tailored development plans for leadership readiness, and clear pathways for talent progression.

PG. 117

Read more on our people efforts in the Business Responsibility and Sustainability Report section.



SOCIAL AND RELATIONSHIP CAPITAL

Collaborating to create value for customers

Our business revolves around effectively responding to customer needs, ensuring timely delivery, and maintaining exceptional quality. We proactively invest in capability building and collaborative efforts to meet customer demands and forge trustworthy relationships.

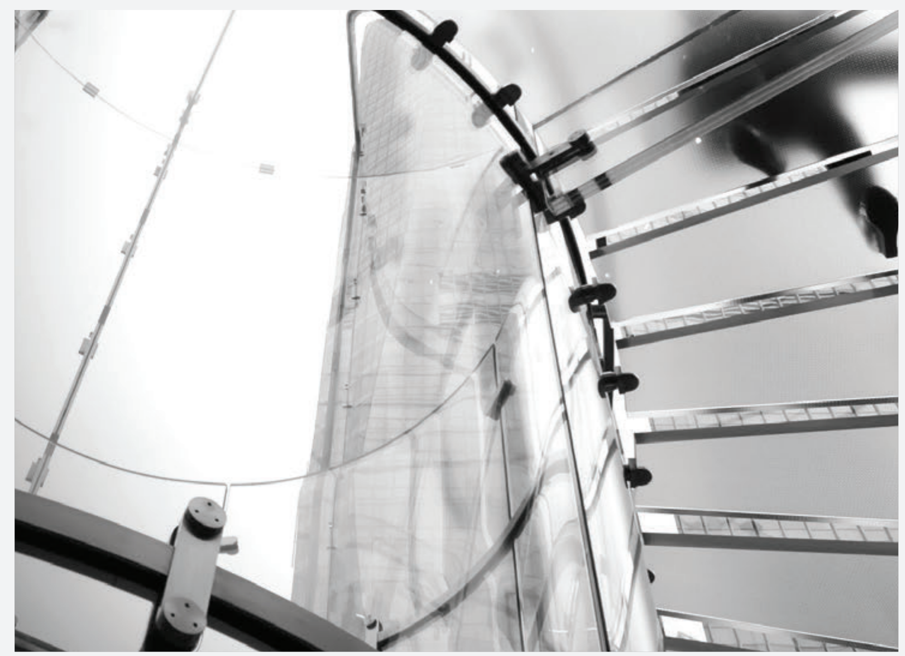
SDGs IMPACTED

CUSTOMER ENGAGEMENT

Bharat Forge has always looked upon itself as an engineering company with best-in-class problem-solving skills. We continuously engage with our customers to identify white spaces and propose solutions to alleviate their predicaments. We believe that continuous dialog and knowledge exchange with customers are key to growth. Our ability to take on complex assignments and deliver them right the first time has helped us earn the trust and goodwill of our customers. We have always invested ahead of time and created the right mix of capacities, giving our customers ample confidence in our ability to deliver on time.

RESPONSIBLE SOURCING

We've always acted in the best interests of our stakeholders in sourcing key materials for our operations. Our raw materials are sourced from client-approved RM suppliers at market-competitive rates. As part of our sourcing strategy, ESG best practices are incorporated in the procurement process to mitigate carbon footprint of the supply chain. As a part of this initiative, we have increased the sourcing of secondary raw materials. Currently, secondary raw materials account for 40% of our total raw material consumption.



Ensuring holistic development of communities

We remain steadfast in our commitment to ensuring equitable and sustainable development within our communities. Our CSR initiatives focus on empowering individuals from the marginalized and economically backward sections, building a brighter future for all.

SDGs IMPACTED

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

KEY HIGHLIGHTS

231,544
Lives touched

216,215
Rural lives impacted

3,251
Volunteers per year

3,790
Youth skilled

900+
Women empowered

36,978
Students impacted

5
Sportsmen supported

PROGRAMS IMPACTED

35,387
Drinking water beneficiaries

23,433 acres
Total land benefited

5,000 beneficiaries
Women health camps

Improving village education at
39 schools

Installed water filters at
10 locations

2,598,726 Cu Mtr
Total silt removed

469 KW
Renewable energy infra created

80 Kms
Road construction

Six villages supported by Bharat Forge have been certified as Green Villages by CII - Indian Green Building Council (IGBC).

VILLAGE DEVELOPMENT

Our Village Development Project aims to enhance skill development, education, and community well-being across 108 villages. Our initiatives focus on water provision, livelihood improvement, infrastructure enhancement, education, and healthcare, ensuring sustainable progress.

Before

After

SKILL DEVELOPMENT

We've established a Center of Excellence (CoE) and Incubation Center at Vidya Pratishthan in Baramati for 450 students, focusing on high-tech skills like Robotics, IoT, AIML, and Data Analytics. 45 rural female students are pursuing engineering or diploma courses through the Student Welfare Association. Further, we've partnered with four Government ITIs, providing technical support and skills training to 1,354 students to enhance employability.

HEALTHCARE

We constructed 41,729 meters of underground drainage, making villages cleaner and more hygienic. Additionally, we conducted eight cancer screening camps for 1,036 women this year, covering a total of 5,780 women from villages.

WOMEN EMPOWERMENT

We empowered 900 women from underprivileged sections through vocational training, business enterprise support, and resources to promote entrepreneurship.

EDUCATION

We provided non-formal education to 5,000 children from 130 slum communities through partnerships with Pratham Pune Education Foundation and Dynan Prabodhini. We improved infrastructure in three Zilla Parishad and government schools, benefiting a total of 42 schools.

Bharat Forge was conferred with the prestigious 'Mahatma Award for CSR Excellence 2023' in recognition of its CSR commitment.

NATURAL CAPITAL

Transitioning to a low-carbon future

At Bharat Forge, sustainability is woven into the fabric of our culture, driving responsible actions across all facets of our business. We are committed to using more green energy, enhancing energy efficiency, adopting cleaner technologies, optimizing natural resource use, minimizing waste, and advancing towards a circular economy. Our focus remains on developing a long-term strategy that creates a lasting positive impact on the environment, ensuring a planet-positive future.

SDGs IMPACTED

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

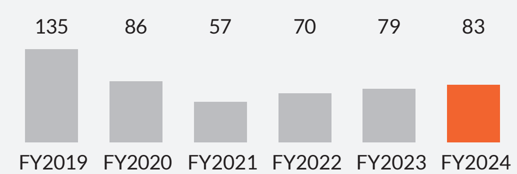
REDUCING GREENHOUSE EMISSIONS

We are committed to reducing our carbon emissions and decarbonizing our operations. A key step in this journey is the adoption of renewable energy. In FY2024, 39.45% of our electricity consumption came from renewable sources, comprising 118,234 MWh from solar energy and 35,165 MWh from wind energy.

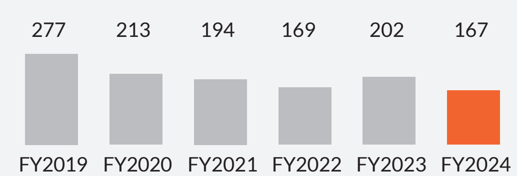
We have also transitioned from using oil to natural gas in our furnace operations, significantly reducing our greenhouse gas (GHG) emissions. Additional measures include replacing less efficient induction billet heaters (IBH), compressors, motors, and open-loop cooling towers. Installing an Automatic Power Factor Correction (APFC) panel and reducing idle time in systems such as presses, IBH, and exhaust blowers have collectively decreased our energy consumption by 5,630 MWh and reduced carbon dioxide emissions by 3,997 tons.

We are converting all diesel-operated forklifts to electrically-operated forklifts, with plans to power them using renewable energy, transforming them into "Green Forklifts" in the near future.

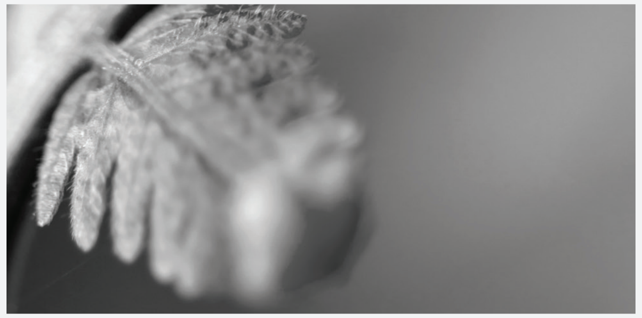
Scope 1 (thousand tCO_2e)



Scope 2 (thousand tCO_2e)



We have mapped our operational carbon footprint, which helped us in defining the emission reduction targets.



ENSURING ZERO LIQUID DISCHARGE (ZLD)

We have implemented a comprehensive water management system to effectively control and treat the industrial wastewater generated by our activities. We have installed additional digital meters connected to an IoT platform, enabling real-time monitoring of water consumption. A thorough water risk assessment has been conducted for our operations, and we have identified concrete actions to achieve our goal of becoming water-positive by 2030.

Our manufacturing facilities are equipped with Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP). As a Zero Liquid Discharge (ZLD) company, we ensure that no waste or treated water is discharged from our factory premises. All treated water is efficiently recycled and reused in our operations, significantly reducing our freshwater consumption.

WASTE MANAGEMENT

We adhere to the principles of reduce, recycle, and reuse in our waste management practices. We have undertaken various initiatives to minimize both hazardous and non-hazardous waste. By mapping waste generation and disposal methods, we better understand our waste profile and take necessary actions. In FY2024, we recycled 107,223 tons of waste, accounting for 99.76% of the total waste generated in our operations. All metal scrap generated in our processes is recycled and reused.

To further reduce hazardous waste, we have changed the disposal pathway of waste oil and ETP sludge, thereby reducing landfill disposal. These initiatives are part of our strategy to achieve Zero Waste to Landfill by 2030. All hazardous wastes are handled in accordance with Maharashtra Pollution Control Board (MPCB) regulations and are sent to authorized agencies for proper treatment. Additionally, we have deployed waste composters at our sites to process food and garden waste. The bio-manure generated from these composters is used for gardening purposes, supporting our commitment to sustainable waste management practices.

	FY2023	FY2024	Change (%)
Energy Consumption (GJ)	2,554,666	2,717,292	6.37
Emission Intensity (tCO_2e / MT production)	1.143	0.918	19.69
GHG Emission (Thousand tons CO_2e)	281	249	11.39
% Renewable Energy of Total Electricity Consumed	29.25%	39.45%	10.20
Non-Hazardous Waste (Kg per MT of production)	439.75	390.46	11.21
Hazardous Waste (Kg per MT of Production)	2.93	4.32	47.44
Specific Water consumption (KL/MT Production)	4.27	4.15	2.81
% Recycle of Water of Total Water Consumption	34.50%	33.17%	3.85
Wastewater Discharge (m3/day)	0	0	0

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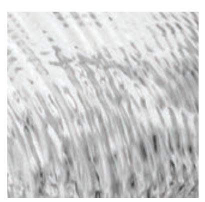
Read more on our environmental footprint in the Business Responsibility and Sustainability Report section.



GOVERNANCE

Adhering to highest governance standards

We uphold the highest standards of integrity, transparency, and accountability to ensure the success and longevity of our business. This commitment safeguards the interests of all stakeholders and drives sustained value creation.

CONDUCTING BUSINESS WITH TRANSPARENCY AND ETHICS

At the core of our operations lies a commitment to good governance that extends far beyond compliance and statutory norms. We firmly believe in conducting our transactions with transparency, integrity, accountability, and fairness.

Our Board is committed to upholding ethical values and promoting transparent practices. This is supported by our comprehensive corporate governance framework, which includes a Code of Conduct guiding the actions of all employees and various policies addressing insider trading, whistleblowing, and the prevention of bribery, corruption, fraud, and sexual harassment.

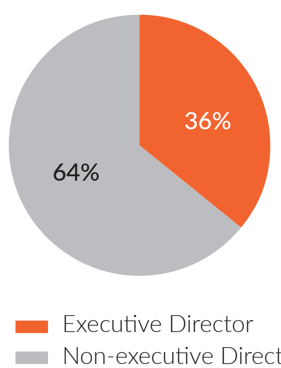
We further emphasize transparency by voluntarily publishing Sustainability Reports and Integrated Annual Reports in accordance with globally accepted principles and frameworks like the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI). Additionally, we maintain a dedicated ESG page on our website to provide stakeholders with relevant information.

DATA PROTECTION AND CYBERSECURITY

Our dedication to maintaining ethical practices and data security ensures that we remain a trusted and reliable partner for our stakeholders. We have established a dynamic process to identify, monitor, and mitigate data protection and cybersecurity risks. Our IT infrastructure is fortified with multiple security layers and early-warning systems to detect and respond to cyber threats promptly. We also have comprehensive business contingency plans and incident response procedures in place.

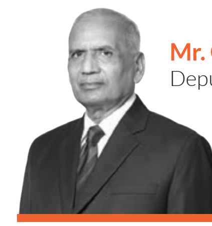
To continuously enhance our security measures, we periodically conduct security gap and vulnerability assessments. We have undertaken an effectiveness assessment of our data compliance management system, and we are in the process of implementing the findings to further strengthen our IT infrastructure.

Board Diversity (as on March 31, 2024)



BOARD OF DIRECTORS


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


Mr. G. K. Agarwal*
Deputy Managing Director


Mr. Amit Kalyani#
Joint Managing Director
2 5 **6**


Mr. B. P. Kalyani
Executive Director


Mr. S. E. Tandale
Executive Director


Mr. P. G. Pawar
Independent Director
1 **2** **3** 4


Mrs. Lalita D. Gupte
Independent Director
3


Mr. Vimal Bhandari
Independent Director
1 4 5


Mr. P. H. Ravikumar
Independent Director
1


Mr. Dipak B. Mane
Independent Director
4 6


Mr. Murali Sivaraman
Independent Director
5 6


Mr. K. B. S. Anand
Independent Director


Ms. Sonia Singh
Independent Director


Mr. Ashish Bharat Ram
Non-Executive Non-Independent Director

*Superannuated on March 31, 2024, upon expiry of his term as Director and Deputy Managing Director of the Company

#Re-appointed as Vice-Chairman and Joint Managing Director with effect from May 11, 2024

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Read more on the Corporate Governance section of this report.

Board Committees

1. Audit Committee
2. CSR Committee
3. Stakeholders' Relationship Committee
4. Nomination & Remuneration Committee
5. Finance & Risk Management Committee
6. ESG Committee

■ Chairperson of the Committee (shown in bold)

□ Member of the Committee

RISK MANAGEMENT

Ensuring resilience through robust risk management

Effective risk management is crucial for the resilience and success of the organization in an ever-evolving environment. We proactively identify, monitor, and mitigate the key risks through a comprehensive risk management framework, supporting our long-term growth.

Economic Risk

A slowdown in the global macroeconomic environment may impact our business and revenues.

Mitigation
Over the years, we have strategically diversified operations both geographically and across industries to minimize dependence on any single location or industry. Our presence in North America and Europe through subsidiaries has strengthened our global footprint. Despite macroeconomic uncertainties and geopolitical tensions, we continue to progress with aluminum forgings operations to align with the auto industry's focus on lightweight components. Our extensive presence across sectors such as Automotive, Defence, Oil & Gas, Mining and Construction, Power (including Renewable Energy), Aerospace, and E-mobility further mitigates economic risks. The Defence segment is steadily advancing due to the government's focus on indigenization, and our E-mobility vertical is poised for commercialization following strategic investments and a go-to-market strategy.

Raw Material Risk

The inability to secure key raw materials at competitive rates may impact our operations and profitability.

Mitigation
We source steel, our primary raw material, majorly through group companies, ensuring steady availability at competitive prices. Additionally, we have expanded into aluminum forgings and castings, and developed competencies in titanium, diversifying our raw material requirements. Our patented in-house manufacturing processes ensure efficient material use with minimum wastage. We also include price pass-through clauses in our orders to mitigate high input costs. Amid the ongoing supply chain disruptions and price volatility due to geopolitical tensions, we ensure sustained production by closely monitoring the evolving situation.

Foreign Exchange Risk

Given that 55% of our revenue is generated from exports, we are exposed to foreign currency fluctuations, which can impact our profitability.

Mitigation
We employ adequate hedging and simple forward contracts on a rolling basis to mitigate exchange rate risks. Additionally, we maintain a natural hedge by ensuring that foreign currency borrowings are less than our export revenues.

Technology Risk

Operating in a highly competitive, regulated, and dynamic industry, we face the risk of products becoming obsolete amid technological transformations such as CASE (Connected, Autonomous, Shared, and E-mobility).

Mitigation
We have been at the forefront of technological advancements through early investments in E-mobility and lightweight technologies. In Defence, we boast in-house developed competencies, and in Aerospace, we have established a global reputation for manufacturing critical components. We have also invested in state-of-the-art technologies like Industrial Internet of Things (IIoT) and Industry 4.0, driving greater productivity and reliability. The rapid adoption of SAP ERP, robotic process automation, digital thread, and data analytics has further bolstered our competitiveness.

Funding Risk

Sustained investments in capacity, technology, and R&D necessitate the availability of funds at competitive rates. Failure to secure funding can impact our profitability.

Mitigation
We maintain a strong balance sheet and a robust cash position, with cash and cash equivalents at ₹25,250 million as of March 31, 2024. Prudent working capital management and capex allocation have reduced our debt. With a healthy net debt/equity ratio and net debt/EBITDA ratio, we are well-positioned to procure external funds if needed.

Talent Risk

Attracting and retaining talented manpower is crucial for sustainable growth. Failure to do so may affect our operations.

Mitigation
We promote a conducive work culture with meritocracy at all levels. Regular programs are conducted to ensure employee health, safety, engagement, and skill development. We offer training on future-ready skills, including Industry 4.0, sensors, robotics, and manufacturing engineering. Additionally, we emphasize new talent acquisition and reward exceptional performance.

Cybersecurity Risk

The increasing pace of digitization and automation exposes us to cyberattacks, potentially leading to data breaches, litigation issues, and reputational damage.

Mitigation
We have strengthened cybersecurity measures, adhering to ISO 27001:2013 standards. Our layered security approach, supported by next-generation tools, ensures real-time threat prevention. Regular Voluntary Product Accessibility Template (VPAT) assessments and independent third-party validations help strengthen our IT infrastructure. We also conduct awareness sessions and training for employees to bolster security measures.

Management Discussion & Analysis

ECONOMIC REVIEW

GLOBAL ECONOMY

The global economy demonstrated remarkable resilience in the face of unprecedented challenges in CY 2023. Despite central banks raising interest rates to stabilize prices, growth in employment and incomes remained stable, buoyed by favorable demand and supply dynamics in major economies. Among major economies, the United States demonstrated the strongest recovery. Healthy consumer spending, swift containment of the banking crisis, tight labor market, and rising wages have supported economic growth. The European Union (EU) has also demonstrated resilience in navigating through unprecedented shocks arising from the prolonged Russia-Ukraine war. Economic growth in several emerging markets and developing economies (EMDEs) has surpassed expectations in CY 2023.

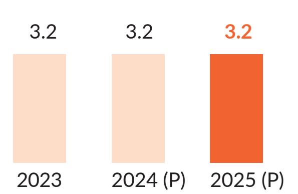
While several major economies demonstrated resilience, underlying risks persist due to escalating geopolitical conflicts, sluggish recovery in China, volatility in energy and food markets, and higher interest rates. Recent geopolitical upheavals, including the ongoing Russia-Ukraine war and conflicts in the Middle East and the Red Sea route, have affected global supply chains, resulting in increased logistical costs, shipment delays, and elevated fuel and commodity prices.

Outlook

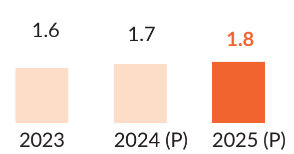
Global growth, estimated at 3.2% in CY 2023, is projected to continue at the same pace in both CY 2024 and CY 2025. The global expansion is likely to remain modest owing to surging inflation and increasing geopolitical tensions. Advanced Economies (AEs) are expected to see an uptick in growth, from 1.6% in CY 2023 to 1.7% in CY 2024 and 1.8% in CY 2025. Growth in Emerging Markets and Developing Economies (EMDEs) is expected to witness a moderate decline from 4.3% in CY 2023 to 4.2% in both CY 2024 and CY 2025.

GLOBAL GROWTH (%)

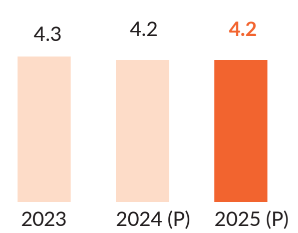
Global Economy



Advanced Economies



Emerging Market and Developing Economies (EMDEs)



(Source: IMF World Economic Outlook, April 2024)

INDIAN ECONOMY

India has emerged as a beacon of strength and resilience amidst the volatile global economic landscape, retaining its position as the world's fifth-largest economy. India recorded a Gross Domestic Product (GDP) growth of 8.2% in FY2024 as against 7.0% growth achieved in FY2023. Growth was primarily led by strong domestic demand, favorable demographics, moderate inflation, stable interest rates, and increased capital expenditure.

High-frequency indicators such as the Index of Industrial Production (IIP), Goods & Services Tax (GST) collections, manufacturing Purchasing Managers' Index (PMI), and increasing private capital expenditure contributed to the robust economic momentum. The Reserve Bank of India has maintained the policy repo rate at 6.50% and remains vigilant to take effective measures to combat high inflation and support overall economic growth.

Outlook

India's economic outlook remains positive, supported by strong consumer demand, increased capital expenditure, improving prospects of rural consumption due to easing inflation, and proactive government policy measures. The Interim Budget 2024-25 lays the foundation for achieving the vision of a developed and self-reliant India by 2047. It outlines a comprehensive economic management strategy, including infrastructure development, digital public infrastructure, taxation reforms, and proactive inflation management.

BUSINESS ENVIRONMENT

Automobile Business

Global Automotive Industry

Overview

The global automotive industry has exhibited resilience amid an uncertain demand environment influenced by macroeconomic factors, including higher inflation leading to elevated vehicle prices and sluggish consumer spending. Despite strikes in U.S. auto factories, supply chain disruptions, and escalating raw material costs in CY 2023, there is a sense of optimism as recovery is evident in the global automotive market.

Global car sales experienced a remarkable revival in CY 2023, growing by ~10% and surpassing 72 million units as supply chain challenges eased. In Europe, sales increased by 18.6% compared to CY 2022, driven by similar trends observed in both EU and Eastern European markets. Furthermore, car sales in North America remained steady in CY 2023, with the region witnessing a significant 15% growth. The United States recorded double-digit growth in new car sales, rising by 14.4% compared to the previous year. Despite subdued economic growth, car sales in China reached over 22 million units in CY 2023, registering a YoY increase of 4.5%.

Global car production reached ~76 million units in CY 2023, marking a robust 10.2% increase from the previous year, driven by positive production trends observed across regions. Car production in Europe grew substantially, reaching ~15 million units, reflecting a YoY improvement of 12.6%. Meanwhile, in North America, production surged by 12.4%, resulting in the production of 11.7 million cars in CY 2023. The US showed a similar trend, with a growth rate of 8.5%, resulting in the production of over 7.6 million cars.

The Electric Vehicle (EV) market exudes optimism, driven by a rapid transition toward electrification as governments and consumers worldwide strive to mitigate the escalating impacts of climate change. Global sales of fully electric or battery electric vehicles (BEVs) accounted for 9.5 million out of the total 13.6 million EVs sold globally in CY 2023.

FY2024 was a year of steady growth for commercial vehicle exports. The Company grew its CV exports by 8.5% to ₹21,134 million, with all the markets showing significant growth.

Outlook

The global automotive industry is anticipated to experience a sluggish recovery in CY 2024 as it navigates through an uncertain demand environment. However, the industry is benefiting from demand resurgence and production uptick benefiting to inventory restocking efforts, with supply chains stabilizing and demand steadily rebounding. S&P Global forecasts that global sales of new vehicles will reach 88.3 million units, reflecting a 2.8% YoY growth in CY 2024. Despite the near-term uncertainties in Europe and the US, global sales of battery electric passenger vehicles globally are expected to reach 13.3 million units in CY 2024, constituting ~16.2% of total global passenger vehicle sales.

Company Review of the Exports Auto Market

Commercial Vehicles (CV)

FY2024 was a year of steady growth for commercial vehicle exports. The Company grew its CV exports by 8.5% to ₹21,134 million, with all markets showing significant growth. The cornerstone of the commercial vehicles success story has been market share growth. Despite the US class 8 production, adjusted for cyclicality, growing only in low single digits, the Company's growth rates have been considerably superior. The Company's focus on providing safety-critical components differentiates it from competitors. Bharat Forge remains the supplier of choice for critical engine, chassis, and drive-line components to heavy commercial vehicles. The content per vehicle as well as the value-added for every part supplied has increased over time. While the US remains its primary market, the Company continues to diversify its presence in other regions.

Looking ahead, in CY 2024, the US class 8 market is expected to be a mixed bag, while the European HCV market will remain unpredictable due to an uneven economic recovery. Overall, FY2025 will be a year of consolidation, with the market remaining stable to moderately negative.

Passenger Vehicles (PV)

FY2024 was a strong year for passenger car exports. The Company grew its PV exports by 33% to ₹12,694 million. This robust performance, following a spectacular year in FY2023, demonstrates the Company's ability to replicate the CV success story in passenger vehicle sector. The Company believes that the twin benefits of a growing market and an expanding market share will drive its growth in the medium to long term.

The strategy of starting with one-part for one client and gradually expanding to many parts for multiple clients in a growing market has resulted in astounding success over the last few years. The Company is working towards increasing its geographical footprint as well as diversifying its client base to mitigate the impact of any region or OEM-specific challenges.

Another important aspect of the passenger vehicle business has been the increased value-add, with a substantial percentage of PV exports being shipped in a fully machined condition.

The 'last-man standing' strategy for the ICE segment has ensured that the OEM clients view Bharat Forge as a reliable partner rather than just a component supplier. The Company has signed long-term supply agreements with most of its OEM clients assuring supplies until 2035.

The passenger car business presents significant growth opportunities as more OEMs seek to develop strategic relationships with established suppliers like Bharat Forge.

Indian Automotive Industry

Overview

The Indian automobile industry exhibited a strong performance, with sales growing by 12.5% in FY2024. India's strong economic growth and implementation of favorable government schemes have yielded positive outcomes. According to the Society of Indian Automobile Manufacturers (SIAM), the Passenger Vehicle (PV) segment led the growth, registering an 8.4% surge in sales, contributing to overall sales of ~5 million units, including 4.2 million domestic sales and 0.7 million exports. Improved vehicle availability due to increased production, an attractive model mix, and the launch of new models significantly contributed to the sales growth in the PV segment.

The domestic Commercial Vehicle (CV) segment registered a marginal growth of 0.6%, reaching 9.7 million units. Over the last few years, the growth in Medium and Heavy Commercial Vehicles (MHCV) segment is also characterized

33%

The Company grew its PV exports

by a shift towards tractor-trailers and tippers resulting in higher payload capacity. The overall industry volumes need to be viewed in this context. Conversely, the sales of Light Commercial Vehicles (LCVs) and Small Commercial Vehicles (SCVs) declined, attributed to a decrease in the CNG segment.

The combined production of PV, CV, 3W, 2W, and Quadricycles stood at 28.43 million units in FY2024. The strong performance of the PV segment was fueled by positive consumer sentiments, new model launches and product upgrades from OEMs, greater availability, effective marketing, enticing offers and schemes, and recovery in the rural market. Furthermore, there is a consistent rise in EV adoption in India with the electric four-wheeler sales reaching 90,432 units in FY2024.

Outlook

The Indian automotive industry remains optimistic about continuing the growth momentum in CY 2024, buoyed by a positive macroeconomic outlook and favorable monsoon forecast. Despite concerns about high inventory levels, the PV segment is expected to grow in CY 2024, supported by new product launches, a strong order book, and positive market sentiments.

The enhanced capital outlay of ₹11.1 lakh crore for infrastructure development, combined with a higher allocation of ₹2.78 lakh crore for the Ministry of Road Transport and Highways (MoRTH) in FY2025, is anticipated to boost the prospects for the automotive sector. Furthermore, the tenure of the Production-Linked Incentive (PLI) scheme for automobile and auto components has been extended by one year until FY2028, providing support for growth and competitiveness in the sector. The government's push for EV adoption and clean mobility, rationalizing the GST tax structure on EV charging and batteries, along with the reinforcement of existing EV policies and the introduction of new ones, will be pivotal in fostering the growth of electric mobility in India. To provide additional momentum to EV adoption, the outlay of FAME India scheme Phase II has been increased from ₹10,000 crore to ₹11,500 crore. In the Interim Budget of 2024-25, the government's emphasis on expanding and strengthening the EV ecosystem by supporting manufacturing and charging infrastructure is expected to further boost the momentum of the EV sector.

The Indian automotive industry is well positioned to capitalize on the 'China plus one' strategy, with Original Equipment Manufacturers (OEMs) choosing India as their preferred manufacturing hub for serving international markets. India's potential to emerge as a key manufacturing hub is attracting attention from major global players, as they seek to diversify their manufacturing operations beyond China.

Company Review of the Domestic Auto Market

Commercial Vehicles (CV)

In FY2024, the Indian CV segment reported a revenue of ₹10,341 million, reflecting a growth of 2%. The domestic auto market remained optimistic, driven by sustained government capital expenditure. Construction activity continued to rise, fueled by demand for private housing and buoyant industrial activity, which supported overall investment.

As the tonnage of commercial vehicles continues to increase, OEMs are likely to launch new and more sophisticated product platforms in the near future. These developments present interesting opportunities for suppliers like Bharat Forge.

FY2025 is likely to be a year of consolidation as policy initiatives and investment decisions get crystallized post the Union Budget in July. Bharat Forge is a key player in the domestic CV market and continues to mirror the industry performance. The Company's ability to deliver critical products and strong customer focus is likely to ensure a steady performance in FY2025.

Passenger Vehicles (PV)

The Indian PV market showed healthy growth in FY2024. However, Bharat Forge faced some customer-specific challenges, leading to a muted performance. Despite these challenges, the Company remains focused on deepening engagement with existing customers and initiating relationships with new ones to grow the business.

Industrial Business

The government's consistent emphasis on enhancing physical and digital infrastructure presents significant opportunities for the Industrial segment. The increased capital outlay of ₹11.1 lakh crore in the Interim Budget 2024-25 will serve as a significant catalyst for the infrastructure sector's growth.

₹10,341 million

Indian CV segment revenue

The construction industry in India expanded by 9.6% in real terms in CY 2023, driven by the increase in infrastructure projects, growing urbanization, and a surge in the housing and industrial sectors. Furthermore, in alignment with India's goal of achieving 500 GW of renewable energy capacity by CY 2030, ~13.5 GW of renewable energy capacity was added during CY 2023.

Company Review of the Industrial Segment

Bharat Forge's Industrial vertical recorded strong performance given the market conditions. Sectors such as Construction & Mining, Aerospace, Railways, and Capital goods drove the year-on-year growth. In the domestic market, the Steel, Cement, and Sugar sectors witnessed good demand momentum. In the export market, Aerospace, Construction & Mining, and other Heavy Horsepower engines applications recorded strong double-digit growth backed by strong public capex and roll out of 5G tech across markets.

To further diversify the industrial portfolio, Bharat Forge has ventured into new sunrise sectors with the potential to become major growth drivers in the next 3-4 years. The Oil & Gas sector faced a difficult year as technology-related changes led to major inventory correction at the OEM end. However, improvement is expected gradually, as new supplies ramp up over time post the technology upgrade. Aerospace improved its YoY performance and remains an important pillar of growth.

J S AUTO CAST

The castings ferrous landscape in India is a massive opportunity. Given Bharat Forge's inherent metallurgical capabilities and as a natural extension to its forging competence, the Company acquired J S Auto Cast in FY2023. This marked the Company's foray into industrial ferrous castings space, enabling it to tap the huge opportunities in wind energy, hydraulics, construction, and mining, among others with enhanced capabilities and competencies. During the year, the liquid metal capacity at J S Auto Cast increased to 130,000 MT per annum. The Company successfully completed the acquisition of the SEZ unit of Indo-Shell Mould, located within 3 km of the main Foundry unit at SIPCOT, Coimbatore. This acquisition aims to scale up J S Auto Cast's automotive business.

The year gone by, saw JSA increasing its business organically, FY2024 revenues were ₹567 crore with an EBITDA margin of 13.4%.

The year gone by, saw JSA increasing its business organically, FY2024 revenues were ₹567 crore with an EBITDA margin of 13.4%. J S Auto Cast's client profile also underwent significant diversification, reducing sectoral and customer concentration. JSA's revenue mix was balanced evenly between domestic and exports. Going ahead, J S Auto Cast plans to scale up its machining capabilities significantly in response to strong demand for fully machined castings.

A range of initiatives focused on value addition, operational efficiency, capacity expansion, and new product development are underway to strengthen the Company's future. With its differentiated offerings in a highly fragmented industry, Bharat Forge expects a strong growth trajectory for J S Auto Cast in the coming years.

Overseas Business

Bharat Forge's international operations consist of Steel & Aluminum Forgings, with facilities in Europe and the US. The Steel Forging business caters primarily to commercial vehicles, while the aluminum business supplies forgings for premium passenger cars and electric vehicles. The aluminum operations are engaged in the manufacture of chassis components for passenger cars, insulating the Company from any powertrain specific preferences of consumers.

After a challenging FY2023, the overseas business witnessed positive developments on the operational front in FY2024. The European operations have stabilized, with both the aluminum lines operating at near optimum capacity. With operational stability achieved, the Company is re-negotiating older contracts with OEMs to reflect the new realities of wage and energy inflation in the post-COVID era.

The US aluminum business is a greenfield facility built to address the demand for premium PVs and EVs in North America. The aluminum business in the US has shown considerable improvement on the operational front, with incremental gains in cycle times and yields over FY2023. The currently operational Phase 1 unit will narrow its losses in FY2025 as capacity utilization improves.

The capex for Phase 2 of US aluminum operations remains on track with capacity already booked by OEMs. The Phase 2 capex will likely conclude by early FY2026, with a gradual ramp-up to full capacity thereafter.

In ₹ Million

Overseas revenue break-up	FY2024	FY2023
Steel Forgings	32,422 (62%)	30,389 (71%)
AL Forgings	19,738 (38%)	12,396 (29%)
Total	**52,160**	**42,785**

Defence Business

India ranks as the third-largest defence spender in the world, following the US and China. Capital expenditure by the Ministry of Defence (MoD) has increased by 15%-20% over the past five years and is expected to accelerate further. The escalating geopolitical risks worldwide have been leading to higher defence budgets. In the Interim Budget 2024-25, the government maintained its focus on defence modernization and indigenous manufacturing, with an increased budget allocation of ₹6.21 lakh crore for the defence sector.

The government's push for indigenization and self-reliance in defence through the 'Make in India' initiative, has resulted in increased defence production and exports. In FY2024, India's defence production reached ₹74,739 crore. Private sector companies made a significant contribution, accounting for 22% of the total production, valued at ₹16,411 crore. Out of 4,666 defence items, including assemblies, sub-assemblies, raw materials, critical spares, and components earmarked for indigenization, 2,920 have already been indigenized. Additionally, ~40 to 50 licenses for defence production were issued annually.

Collaborative efforts have enabled India to expand its defence exports to over 75 countries. India's defence exports surged to ₹21,083 crore in FY2024, demonstrating a growth of 32.5% compared to ₹15,920 crore achieved in the previous fiscal year. The Ministry of Defence aims to triple annual defence production to ₹3 lakh crore and double defence exports to ₹50,000 crore by FY2029. Aligned with the ambition of positioning India as a global manufacturing hub, the government intends to manufacture advanced systems like aero engines and gas turbines in the country over the next five years.

With prudent strategies, emphasis on innovation and research, and robust government support, India's defence sector is poised for exponential growth.

As a part of this effort, Bharat Forge's 100% subsidiary, Kalyani Strategic Systems Ltd (KSSL), has engaged with many friendly countries to address their defence & security requirements in artillery systems, battlefield protection, ammunition empties, and other requirements from its product portfolio.

This collaboration resulted in KSSL receiving the prestigious export order worth USD 155.5 million for Advanced Towed Artillery Gun System (ATAGS) and MArG – BR systems to a non-conflict zone. In August 2023, KSSL exported the first indigenously designed, developed and manufactured artillery system from India. As global stock of empty shells depleted and capacities constraints weighed, KSSL secured multiple orders for ammunition empties (shells) with capacity booked for the next 2-3 years. As a matter of policy, all defence exports are to non-conflict zones.

The robust demand for arms globally drove KSSL's FY2024 revenue to ₹1,422 crore with a healthy order backlog of ₹5,192 crore at the end of FY2024. The Company's platforms focus on deterrence (artillery systems), battlefield protection (KM4), situational awareness, and consumables. Bharat Forge's defence activities in India have made strides towards fulfilling the orders for KM4 and are strategically entrenched to meet the artillery modernization requirements of the Indian Army. After the successful completion of all exhaustive trials, the final competitive bids for 307 ATAGS were submitted in FY2024 with contract award expected in FY2025. The RFP responses for 155/52 Mounted Gun System (MGS) were submitted in FY2024. The technical evaluation process and trials for MGS are expected to commence in FY2025.

Bharat Forge will continue to adhere to the highest standards of ESG and will avoid involvement in weapons of mass destruction or any other platforms banned by various multilateral organizations. Bharat Forge and its subsidiaries will not engage in research, or be a part of the supply chain for controversial weapons like Anti-Personnel mines, Biological and Chemical weapons, cluster munitions, incendiary weapons, white phosphorus ammunition, or blinding laser weapons.

Aerospace Business

FY2024 marked significant growth for the Aerospace business, with notable achievements in customer acquisition, product development, and technological advancements. Currently, the Company's Aerospace vertical caters to civilian aircraft; however, multiple initiatives are underway to enter the military aviation space. The business focuses on the aero-frame, landing gear and critical engine components.

During FY2024, a major global aero-engine OEM recognized Bharat Forge for zero-defect deliveries of critical rotating engine components. Leveraging its metallurgical expertise, the Company has gained considerable proficiency in metal forming technology for building super-alloys. This will facilitate development of complex engine parts and air-frame components in future.

The turbomachinery division has produced critical turbomachinery products for the Indian Aerospace sector and has been engaged in maintenance and overhaul of these products, generating revenue throughout the entire product life cycle.

Bharat Forge will set up a new manufacturing facility in Pune to expand its machining capabilities for aerospace components. The aerospace division operates entirely on a digital platform leveraging IoT and Industry 4.0 standards. This ensures seamless integration from design to manufacturing, testing, and complete life cycle management. The Company continues to prioritize investments in its people and technology. Talent upgrade, re-skilling, and upskilling have been key areas of focus, fostering robustness and agility within the division's operations and positioning the business for future growth.

E-Mobility Business

Bharat Forge's E-mobility business overcame numerous challenges relating to the FAME policy and the general sluggishness in EV demand.

The Company's solutions for retrofitting medium size trucks are certified under the AIS 123 standards. These vehicles have cumulatively completed 300,000 km of on-road tests. Bharat Forge has engaged with diverse customer segments such as cement, FMCG, e-commerce, and perishable goods, during testing and the solution was received well across all the segments.

Its state-of-the-art R&D facility at Pune is engaged in integrating more product offerings in the coming years to address the varied needs of the Indian transport industry's sustainability goals. The electronic components business introduced its first product, a DC-DC Converter with small quantities of commercial supplies commencing in FY2024.

Going ahead, the Company expects the E-mobility business to gradually pick up as concerns around high upfront investments and battery range anxieties get addressed.

FINANCIAL REVIEW

STANDALONE

Analysis of Standalone Profit and Loss Statement

(in ₹ Million)

Particulars	FY2024	FY2023	% Change
Total Revenue	89,686.34	75,727.12	18.43%
Raw Material	38,300.99	32,833.46	
Manufacturing Expenses	12,244.60	11,199.38	
Manpower Cost	6,014.47	5,430.06	
Other Expenditure	8,439.18	6,975.99	
Total Expenditure	64,999.24	56,438.89	15.17%
EBITDA	24,687.10	19,288.23	27.99%
EBITDA (%)	27.53%	25.47%	
Depreciation	4,420.42	4,259.57	
Interest	2,874.12	2,126.89	
Other Income	1,623.41	1,504.96	
PBT	19,015.97	14,406.73	31.99%
Exchange Gain/ (Loss)	90.67	(177.13)	
PBT	19,106.64	14,229.60	34.27%
Exceptional Items Gain/ (Loss)	(154.33)	(402.13)	
PBT	18,952.31	13,827.47	
Taxation	4,702.74	3,372.73	
PAT	14,249.57	10,454.74	36.30%

CONSOLIDATED

Analysis of Consolidated Profit and Loss Statement

(in ₹ Million)

Particulars	FY2024	FY2023	% Change
Total Revenue	156,820.71	129,102.59	21.47%
Raw Material	73,791.91	59,613.53	
Manufacturing Expenses	21,321.30	19,877.33	
Manpower Cost	18,599.97	15,631.00	
Other Expenditure	17,446.68	16,216.33	
Total Expenditure	131,159.86	111,338.19	17.80%
EBITDA	25,660.85	17,764.40	44.45%
EBITDA (%)	16.36%	13.76%	
Depreciation	8,481.96	7,355.86	
Interest	4,911.67	2,986.20	
Other Income	2,274.24	1,728.57	
PBT	14,541.46	9,150.91	58.91%
Exchange Gain/ (Loss)	(81.46)	(89.17)	
PBT	14,460.00	9,061.74	59.57%
Exceptional Items	(123.23)	(457.91)	
Share of (Loss)/Profit of Associates and Joint Ventures	53.15	(334.38)	
PBT	14,389.92	8,269.45	
Taxation	5,288.33	3,185.58	
PAT	9,101.59	5,083.87	79.03%

HUMAN RESOURCES

During the fiscal year 2023-24, Bharat Forge embarked on a transformative journey towards enhancing employee experience through digital HR services. The Company centralized and standardized the delivery of the entire employee lifecycle process across Bharat Forge Limited (BFL) and its subsidiaries. This initiative streamlined pre and post-on-boarding engagements, probation processes, transfers, compensation corrections, benefits administration as well as separations and settlements, ensuring consistency and efficiency in HR service delivery and employee experience.

ENHANCING DIVERSITY: WOMEN ON SHOP-FLOOR PROJECT

As part of its commitment to diversity and inclusion, Bharat Forge launched the Women on Shop-Floor program to increase diversity on the shop floor and create a more inclusive workspace. Investments were made to enhance the enabling infrastructure and create a thriving workplace for women employees. The program began with targeted recruitment drives focused on sourcing talented women professionals with diverse skill sets and backgrounds. Through proactive outreach efforts and partnerships with educational institutions, Bharat Forge actively sought to identify and engage with potential candidates, ensuring a diverse talent pipeline for shop-floor roles. Once recruited, women employees underwent specialized training programs tailored to their specific needs and requirements. These training sessions encompassed not only technical skills related to manufacturing processes but also focused on safety protocols, quality standards, equipment operation and product knowledge. By providing comprehensive training and support, Bharat Forge aims to equip women employees with the necessary skills and confidence to excel in their roles on the shop floor. Regular reviews and assessments were conducted to monitor the progress and effectiveness of the Women on Shop-Floor Project. Through continuous evaluation and adaptation, Bharat Forge remained committed to ensuring the success and sustainability of the project over the long term.

PERFORMANCE MANAGEMENT SYSTEM 2.0

Bharat Forge has developed a robust performance management system that is digitized and based on SMART Goals. The PMS System is aimed at recognizing individual performance and driving overall business performance through a Balance Score Card approach. This has been instrumental in fostering employee development and driving business success. This system includes processes such as the annual appraisal, performance improvement plans (PIPs), and SMART goals implementation, tailored to align employee goals with organizational objectives and provide regular feedback and support. Throughout the year, roadshows and other communication initiatives were conducted to ensure ongoing dialog between employees and leadership regarding performance expectations, organizational priorities, and career development opportunities.

TALENT MANAGEMENT AND SUCCESSION PLANNING

Bharat Forge has strengthened its focus on Talent Management and Succession Planning which aims to identify and groom talent for the future organizational needs while also addressing individual career aspirations. These initiatives include succession planning and individual development processes to ensure leadership continuity and organizational resilience.

Mapping High Potentials and Critical Roles

Each function underwent a rigorous assessment to identify high-potential and critical roles within the organization. This mapping exercise facilitated a comprehensive understanding of talent distribution across various levels and functions, enabling targeted development interventions.

Leadership Development and Succession Planning

Bharat Forge placed significant emphasis on developing a robust leadership pipeline through succession planning initiatives. Development plans were tailored to individual high-potential employees, with a focus on readiness for future leadership roles and addressing specific talent needs. The succession planning outlined clear pathways for talent progression, identifying successors for key positions and ensuring a seamless transition when vacancies arise.

Fitment and Rotation

The internal leaders were prioritized for open positions, aligning with the Company's commitment to nurturing talent from within. This approach not only facilitates career progression for employees but also strengthens the talent pool for critical positions.

SKILL ENHANCEMENT PROGRAM FOR SHOP FLOOR PERSONNEL

Bharat Forge recognizes the invaluable contributions of its blue-collar workers to its manufacturing excellence and overall success. In line with its commitment to continuous improvement and employee development, the Company has implemented a comprehensive Skill Enhancement Program specifically for its blue-collar workforce.

The Company made significant strides in developing its HR systems and process to drive talent development and address future talent needs of a growing organization. It is committed to driving HR excellence, fostering a culture of innovation, inclusivity and continuous improvement.

These initiatives underscore its commitment to nurturing talent, enhancing employee experience and achieving sustainable growth in the coming years.

Amidst global competition and venturing into various business verticals, Bharat Forge prioritizes maintaining a competitive advantage for sustainable growth. Its workforce is pivotal in driving innovation and expertise. Through extensive training, the Company nurtures leadership and empowers employees to excel.

Bharat Forge's Training Center offers diverse monthly programs spanning behavioral aspects, Soft Skills, Compliance, and Technical topics, benefiting all employees.

Specialized programs have also been developed for shop floor female employees, including:

- **Campus to Corporate:** Preparing graduate pass-outs for transition from academic environments to corporate settings
- **Safety:** Training to respond effectively in case of fire or any other exigencies
- **Mentorship Initiatives:** Offering guidance and support through tailored mentorship programs

The Company collaborates extensively with global companies, to provide comprehensive coaching on technical aspects, problem-solving, and soft skills. Special focus is placed on equipping shop floor work force with the necessary tools to improve their communication and presentation skills.

These initiatives are designed to impart the necessary knowledge to employees, enabling them to excel in their job roles as well as adapt to diverse professional environments.

INFORMATION TECHNOLOGY

The rapid adoption of technology and seamless connectivity between information systems, coupled with a "data lake" is the mantra driving efficiency in the Company's business operations. Bharat Forge has made significant investments in core information systems, including:

- **Product Lifecycle Management System:** To manage complex product design for the Defence vertical.
- **Manufacturing Execution System:** For the Electric Vehicle business.
- **Human Resource Management System:** For all verticals.

Interventions such as digitalizing equipment and plant maintenance, ensuring safe operations through AI-driven monitoring via CCTV camera systems, and preventing critical failures through early warning systems leveraging IoT ensured razor-sharp focus on improving equipment uptime and efficiency, making the enterprise more productive. Tremendous progress has been made in driving value from data held in information systems, including the automation of monthly, quarterly, and yearly financial reporting and complex analytics to identify opportunities for improvements in cost structures.

FY2024 was a pivotal year in many ways with democratization of Artificial Intelligence acting as the largest technological backdrop, driving enterprises into action. Bharat Forge took a pragmatic and focused approach in creating a state-of-the-art Artificial Intelligence & Tech center. This center aims to develop solutions in collaboration with start-ups and top educational institutions; focusing on:

- Driving Operational Efficiency
- Research in Deeptech and Robotics: For autonomous capabilities in manufacturing
- Embedding AI in Defence Platforms/Products

A small team of cross-functional experts has already embarked on the journey. This decade promises to be a decade of disruption with many unknowns. Bharat Forge actively leverages elements like Microsoft Co-pilot to improve workforce productivity, using simple tablet and smartphone applications to provide information at the fingertips of various business units and production lines. Democratizing information and providing tools where needed enhances the speed of decision-making. A state-of-the-art AR/VR collaboration suit is beginning to transform customer engagement and design reviews, demonstrating the belief in small yet meaningful interventions that bring significant transformations in culture and ways of working.

Strengthening the cyber security posture has seen many proactive steps, such as complete re-architecture of infrastructure & network security for the Defence vertical, employing a specialized set of solutions for encrypting information, and quarterly testing of our perimeter systems by experts simulating all known methods.

CORPORATE SOCIAL RESPONSIBILITY

At Bharat Forge, the ethos of giving back to society is ingrained in the Company's DNA. Before the advent of the CSR Act, the Company was actively engaged in community development initiatives. The commitment to sustainability, which entails integrating social and environmental development into business strategies, underscores the Company's dedication to inclusive growth.

VILLAGE DEVELOPMENT PROJECT

In alignment with this vision, alongside the ongoing efforts in skill development, education, and community development, Bharat Forge has embarked on a transformative endeavor: the "Village Development Project". The pillars of this project encompass ensuring access to water for agriculture and drinking purposes, augmenting livelihood opportunities, improving internal infrastructure such as roads, fostering education, and promoting healthcare services. These initiatives are meticulously aligned with the Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) principles, ensuring holistic and sustainable progress within the villages served.

The developments span 108 villages across various key indicators, aiming to enhance farmers' income levels and transform these communities into environmentally sustainable and socially vibrant entities. The Company is deeply committed to environmental sustainability and community well-being. Its initiatives include planting over 1 lakh trees with geotagging, conserving a total of 2,625 TMC of water (including 418 TCM of water this year) through various harvesting structures, and generating a total of 469 KW of renewable energy (including 308.5 KW this year) via solar systems in villages.

SKILL DEVELOPMENT

Bharat Forge has established a Center of Excellence (CoE) and Incubation Center at Vidya Pratishthan in Baramati for 450 students. This center focuses on high-tech skills like Robotics, IoT, AIML, and Data Analytics. The Company prioritizes women's empowerment, with over 60% of students being girls. The Company sponsors and mentors 45 rural female students pursuing engineering or diploma courses through the Student Welfare Association. Bharat Forge has trained 420 farmers in advanced agricultural technologies through collaboration with ADT Baramati, which has partnered with Microsoft and Oxford for further advancements. As an industry partner with four Government ITIs, Bharat Forge provides technical support and skill development trainings to 1,354 students enhance employability.

HEALTH

For the betterment of the health of the villagers, Bharat Forge has constructed 41,729 meters of underground drainage, making the villages clean and hygienic.

The Company has also conducted 8 cancer screening camps for 1,036 women villagers. Additionally, 7 telemedicine centers have been set up, making doctors available at the doorstep to 11,000 people from remote areas.

EDUCATION

Bharat Forge's educational program focuses on uplifting children from underprivileged backgrounds and augmenting the infrastructure of government schools. The Company provides non-formal education to 5,000 children from 130 slum communities through partnerships with Pratham Education Foundation & Dynan Prabodhini. Infrastructure development has been carried out for 3 Zilla Parishad and government schools, with a total of 42 schools benefiting from these efforts.

WOMEN EMPOWERMENT

The community development program aims at empowering 900 women from the underprivileged sections by providing vocational training, business enterprise support, and other resources to promote entrepreneurial ecosystem.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Bharat Forge's ESG journey formally commenced with the formation of the ESG Committee at the Board level in FY2022. Under the guidance and directions of this committee, the ESG framework has evolved within the organization. The ESG framework helps identify, organize, analyze, prioritize, and guide decisions on various business risks. It comprises 7 objectives and 25 measures focusing on the organization's key material ESG issues. Periodic monitoring by the management team ensures steady progress on these identified measures.

Consistent progress has been made in the areas of stakeholder engagement, resource efficiency, climate change, supply chain sustainability, customer engagement, risk management, ethics and compliance. Noteworthy achievements include sustained performance in emission reduction, increased use of secondary raw materials, optimal resource utilization, enhanced use of green energy, certification for the energy management system, SBTi approval of near-term emission reduction targets, and recognition from our global customers.

ESG considerations are integral in all decisions associated with mergers & acquisitions. Sustainability reports, reflecting these efforts, are aligned with the GRI framework. Significant improvements in ESG assessment scores year-on-year underscore the Company's commitment and progress.

While maintaining a sharp focus on implementing ESG initiatives, Bharat Forge ensures that the outcomes are intertwined with its business priorities, recognizing that sustainable growth is a business imperative.

RISK MANAGEMENT

The Company has implemented a structured risk management process to identify, prioritize, mitigate, and monitor risks. The principal risks affecting its business encompass economic, foreign exchange, raw material, technology, funding, talent, and cybersecurity. The Company has taken adequate steps to address and mitigate these risks.

Some aspects have been highlighted below :

- Persistent **global challenges** with inflation and supply chain disruptions continue to significantly impact macroeconomic conditions, crucial for the Company's growth
- **Proper functioning of all equipment** is imperative; any shortcomings may disrupt the Company's ability to fulfill customer requirements
- The growing **shortage of skilled labor** poses a major risk in retaining workers in the Company
- Ensuring **worker safety** remains a crucial operational concern across all the plants
- Adapting to a **rapidly changing technological landscape** to address **dynamic customer needs** is necessary to remain relevant and sustain growth
- With business operations interconnected via secured networks, **cyber security** has become very critical for Bharat Forge. Any attacks on secured networks or data theft can lead to financial/reputational losses
- The global nature of the Company's business means that any **disruption in the movement of goods** to customers is a significant operational risk
- The Company earns significant revenue through exports. Even though it prudently hedges the foreign currency revenues, it is exposed to **sudden fluctuations in foreign exchange rates** for the unhedged portion
- **Interest rates** are likely to remain higher for a longer timeframe, this may lead to higher borrowing costs and will impact post-tax profit

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-governed internal control system that authorizes, records, and reports transactions to safeguard assets and protect against loss from unauthorized use or disposition. The internal controls ensure the reliability of data and financial information to ensure accountability of assets. These internal controls are supplemented by extensive internal audits, management reviews, and documented policies, guidelines, and procedures.

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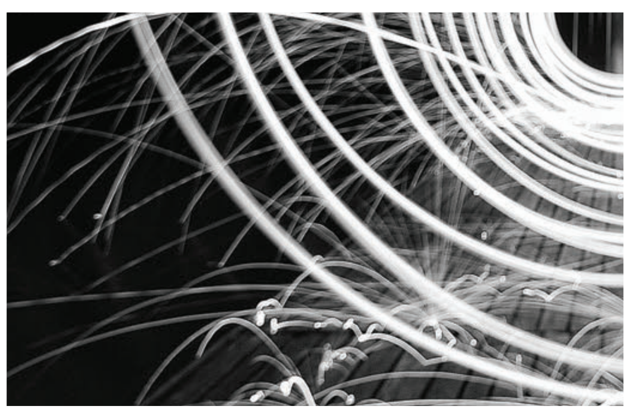
Read more on our risks and mitigations in the Risk Management section.



Board's Report

For the year ended March 31, 2024

To the Members,

Your Directors have the pleasure in presenting the 63rd (Sixty-Third) Integrated Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company on a standalone and consolidated basis for the Financial Year ended March 31, 2024, as compared with the previous year is summarised below:

In ₹ Million

Particulars	Standalone		Consolidated	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Total Income	**91,309.75**	**77,232.08**	**159,094.95**	**130,831.16**
Exports Revenue	**49,282.77**	**44,502.75**	**118,486.20**	**95,345.27**
Net Profit				
Profit for the year before Taxation and Exceptional item	**19,106.64**	**14,229.60**	**14,460.00**	**9,061.74**
Share of (loss)/Profit of associates and joint ventures	-	-	53.15	(334.38)
Add/(Less): Exceptional item	**(154.33)**	**(402.13)**	**(123.23)**	**(457.91)**
Provision for Taxation:				
Current Tax	4,960.90	3,759.26	5,690.69	3,951.57
Deferred Tax	(258.16)	(386.53)	(402.36)	(765.99)
Profit for the year	**14,249.57**	**10,454.74**	**9,101.59**	**5,083.87**
Less: Non-controlling interest	-	-	(409.69)	(199.77)
Profit for the year attributable to equity holders of parent	14,249.57	10,454.74	9,511.28	5,283.64
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)	(1,939.39)	277.34	(1,444.88)	479.58
Total	**12,310.18**	**10,732.08**	**8,066.40**	**5,763.22**
Balance of Profit from the previous year	64,648.01	57,175.05	53,345.66	50,841.56
Profit available for Appropriation	76,958.19	67,907.13	61,412.06	56,604.78
Appropriations:				
Interim Dividend on Equity Shares	1,163.97	698.38	1,163.97	698.38
Tax on above dividend	-	-	-	-
Final Dividend on Equity Shares	2,560.74	2,560.74	2,560.74	2,560.74
Tax on above dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus retained in the Statement of Profit and Loss	73,233.48	64,648.01	57,687.35	53,345.66

2. DIVIDEND

The Board, in its meeting held on February 12, 2024, declared an interim dividend of ₹ 2.50/- per equity share (i.e. 125%) of the face value of ₹ 2/- each aggregating to ₹ 1,163.97 million 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 ₹ 3,026.33

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 5, 2024.

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 pay-out 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 ₹ 73,233.48 million is proposed to be retained as surplus in the Profit and Loss account.

4. PERFORMANCE OF THE COMPANY

The financial year 2023-24 saw the Indian economy clock an impressive 8.2% growth as per provisional estimates. A tighter monetary policy and a fiscally prudent budget helped keep inflation under control. The conducive macro-economic setup was despite the continuing geo-political tensions and upside pressures on inflation globally. The shipping lanes in the Middle East also presented logistical challenges as freight movement bore the collateral damage of the ongoing conflict. Despite all these challenges, your Company clocked a revenue of ₹ 89,686.34 million in financial year 2023-24 representing an impressive 18.4% YoY growth. The strong performance was a combination of steady exports and execution of the export orders in Defence.

Tighter global inflationary conditions drove interest rates higher in-turn affecting borrowing costs. In this environment, of rising interest rates and strong operating cash flow growth, your Company thought it prudent to repay some high-cost debt and deleverage further.

Domestic Business

Automotive Market: The domestic economy roared back, driven by strong demand as disposable incomes rose at a faster clip. The combination of higher capex and more disposable income drove Passenger Vehicles ("PV") and Commercial Vehicles ("CV") sales. The product premiumisation trend witnessed in the PV business continued with Utility Vehicle sales now accounting for 57% of the PV market.

The domestic CV industry continued with its stable growth due to a combination of factors. Strong economic growth, improving fleet operator profitability, reducing discounts and enhanced road connectivity have put the CV OEMs in a sweet spot. The expanding share of Medium and Heavy CVs ("M&HCVs") in the overall mix has meant that your Company has participated in the market growth in a major way. Going ahead, as the election process concludes, your Company expects the momentum for M&HCV to come back.

Industrial: The Industrial business during the financial year 2023-24 saw a monumental growth of 72% to ₹ 22,359 million. A large part of the growth was due to the supply of components and fully built guns for the export orders won by Kalyani Strategic Systems Limited ("KSSL") (wholly-owned subsidiary) in financial year 2022-23. Some part of this business shall be carved out under KSSL once the production facility at Jejuri comes on stream. Your Company's defence business is likely to see good traction due to multiple factors like – Bharat Forge's formidable array of products, 100% in-house IP ownership and increased global defence spends among others. Defence business remains the centrepiece of our journey from components to products.

Your Company's non-defence industrial business has increased its offerings across sectors like construction and mining, renewables, sugar, cement, power. Your Company has always focused on products built in critical-use areas with higher barriers to entry. The superior technical capabilities of your Company, when combined with a conducive policy environment and improving industrial demand offer good business opportunities in the long term.

Your Company acquired J S Auto Cast Foundry India Private Limited ("JSA"), a Coimbatore-based casting and machining company in the financial year 2022-23. This added ferrous casting (up to 400 Kg) as an additional offering to its clients. JSA has a strong presence in wind energy, hydraulics, earth moving, off-highway with a total liquid metal capacity of 1,30,000 MTPA. Post the acquisition, your Company's goodwill and reach has ensured expansion of JSA's reach to Commercial Vehicles and Passenger Cars segments. During the year, JSA also acquired a new asset from Indo-Shell Mould Limited, to expand capabilities in automobile castings. During the year, JSA undertook numerous de-bottlenecking projects, expedited new product development and undertook various efficiency augmenting initiatives. Significant capex in bringing machining capacity on stream was made during the year to increase value-addition.

International Business

Automotive Market: The Company witnessed record exports during the year under review and the bulk of this growth was supported by demand momentum on the automobile side with PV revenue up 33% YoY. Demand for personal mobility continues to remain strong with OEMs guiding for good growth even in financial year 2025. Your Company's last man standing strategy in the ICE segment has helped it cultivate long-term relationships with LTAs signed until year 2035. Another noteworthy achievement is the higher value-add, increasingly more and more parts are exported as fully machined PV components. Your Company's endeavor at diversifying the automobile basket beyond CV has been an enviable success story.

CV business continued to hold steady, supported by a resilient Class 8 demand and some market share gains by your Company. Fleet replacement demand across key markets of US continues to give comfort; however, European M&HCV outlook remains gloomy. Given that the current year 2024 US class 8 outlook remains cautiously optimistic, financial year 2025 is likely to be a year of consolidation for your Company. Your Company continues to be a supplier of choice across European & US OEMs due to its consistent record of accomplishment for nil-defect delivery.

Industrial: The Industrial export business had a tough financial year 2024. Though the headline numbers may look unflattering, the underlying story offers lot of consolation. Oil & Gas business suffered because of major inventory correction seen at an OEM's end. If we exclude the Oil & Gas piece, the overall YoY revenue growth is a staggering 35%. The rapid growth was an outcome of high-horse power engines (mainly Construction & Mining) and Aerospace showing a healthy performance. A good pick-up in industrial activity driven by government capex has aided the performance. The Aerospace business recorded revenue in excess of $26 million as program ramp-ups from major OEM customers continued. Going ahead, this business is expected to see exponential growth, as your Company is one of the handful organisations certified by regulatory and industry bodies (NADCAP) for aerospace component supplies.

In the financial year 2023-24, despite unfortunate geo-political events and logistical challenges, your Company was able to record healthy growth. Your Company's long-standing customer relationships in automobiles and Industrials and flawless execution in its Defence order book are likely to be key growth drivers in financial year 2025.

Standalone & Consolidated

In the financial year 2023-24, the revenue of the Company increased by 18.4% vs 2022-23 on a standalone basis whereas Profit after Tax stood at ₹ 14,249.57 million.

On a consolidated basis, the Company, its subsidiaries and joint venture companies achieved total revenue of ₹ 156,820.71 million as against ₹ 129,102.59 million, an increase of 21.4%.

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, forms part of 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 with 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.

During the year under review, your Company has sought the approval of the members at the 62nd (Sixty-Second) AGM held on Thursday, August 10, 2023 for entering into material Related Party Transactions with Saarloha Advanced Materials

Private Limited and Kalyani Steels Limited for a period of three (3) years (i.e., from April 01, 2024 till March 31, 2027) for such amount and transactions as detailed in the notice thereof.

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/investor/download/BFL.RPT-Policy.pdf

The list of Related Party Transactions entered into by your Company for the Financial Year 2023-24 (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) which handles Internal Audit (in addition to Internal Audit done by external agency), Risk Management and Investigations under Whistle Blower 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 business objectives of the Company which 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 department 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 risk governance structure and defined risk management processes. The Company's ERM cycle comprises four stages i.e. identification of risk, its evaluation, framing of mitigation plans and regular monitoring of risks and action taken and re-assessing 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 and Joint Managing Director at periodic review meetings. Subsequently, Risk Owners and appropriate review forums are identified for each of the risks and metrics are developed for monitoring and reviewing the risk mitigation efforts.

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

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

There are no adverse material changes or commitments that occurred after March 31, 2024, which may affect the financial position of the Company or may require disclosure.

11. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and 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

Discussion on the state of affairs of the Company has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Regulation 34 of 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, 2024, stood at ₹ 931.18 million.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2024, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

The Company had issued Global Depository Receipts (GDR) in April 2005 which were listed on the Luxembourg Stock Exchange. The GDRs outstanding as at year end March 31, 2024 were 800. Since the GDR holding had been substantially lowered, the Board at its meeting held on November 06, 2023 approved the termination of the GDR program and the said termination has been initiated effective from January 15, 2024. The GDRs would be delisted from the Luxembourg Stock Exchange within the appropriate time frame and the underlying equity shares of the GDR holding will continue to be listed on Bombay Stock Exchange & National Stock Exchange.

Debt

During the financial year 2023-24, the Company issued and allotted 12,500 listed, rated, unsecured, redeemable, non-convertible debentures of the face value of ₹ 1 Lakh each for cash aggregating to ₹ 1,250 million to identified investors on a private placement basis.

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
March 11, 2016	Interim	2,777,420	6,984
August 05, 2016	Final	427,672	75,930

The list of equity shareholders whose shares are transferred to IEPF can be accessed on the website of the Company at the link: https://www.bharatforge.com/investors/shareholders-information/unclaimed-dividend

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 2023-24. The newspaper advertisement stating the same has also been published in Loksatta, Marathi, Pune and Business Standard - All Editions newspapers on June 3, 2023, and December 16, 2023. 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 website of the Company at the link: https://www.bharatforge.com/investors/shareholders-information/unclaimed-dividend

15. ANNUAL RETURN

In accordance with Sections 92(3) read with 134(3)(a) of the Act, the extract of the Annual Return of the Company for the financial year 2023-24 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 2023-24.

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, 2024, 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, 2024, 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. B. P. Kalyani (DIN: 00267202), Director of the Company, retires by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. A resolution seeking members' approval for his re-appointment along with other required details forms part of the Notice convening the 63rd AGM of the Company.

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 re-appointments of Mr. B. N. Kalyani (DIN: 00089380) as Chairman and Managing Director for a term of 5 (five) consecutive years from March 30, 2023 up to March 29, 2028, and Mr. G. K. Agarwal (DIN: 00037678) as the Deputy Managing Director for a term of 1 (one) year from April 01, 2023 up to March 31, 2024.

b. Mr. Kishore Saletore (DIN: 01705850) resigned from the post of Executive Director and Chief Financial Officer ("CFO") of the Company with effect from June 30, 2023. The Board at its meeting held on Friday, May 05, 2023, accepted the resignation and put on record its sincere appreciation for the contributions made by Mr. Saletore during his association with the Company as a Director and CFO.

c. The Board at its meeting held on Friday, May 05, 2023, approved the appointment of Mr. Kedar Dixit as the CFO and designated as Key Managerial Personnel of the Company with effect from July 01, 2023.

d. The members at its 62nd AGM held on August 10, 2023 approved the revision in remuneration of Mr. B. P. Kalyani (DIN: 00267202) and Mr. S. E. Tandale (DIN: 00266833) for their remaining respective terms of appointment.

e. The members, vide Postal Ballot, approved the appointment of Mr. Ashish Bharat Ram (DIN: 00671567) as Non-Executive Non-Independent Director of the Company, for a term of 3 (three) consecutive years with effect from September 01, 2023 up to August 31, 2026 (both days inclusive).

f. The Board at its meeting held on February 12, 2024, approved the re-appointment of Mr. Dipak Mane (DIN: 01215889) as Non-Executive Independent Director for the second term of 5 (five) consecutive years from June 21, 2024 up to June 20, 2029 (both inclusive), subject to the approval of members sought by way of Postal Ballot notice dated April 3, 2024.

g. Mr. G. K. Agarwal (DIN: 00037678) superannuated as the Director and Deputy Managing Director of the Company on March 31, 2024, upon expiry of his term as Director and Deputy Managing Director of the Company.

h. The Board at its meeting held on April 03, 2024, approved the re-appointment of Mr. Amit Kalyani (DIN: 00089430) as Whole-time Director designated as "Vice-Chairman and Joint Managing Director" for another term of five (5) consecutive years commencing from May 11, 2024 till May 10, 2029 (both inclusive), subject to approval of members sought by way of Postal Ballot notice dated April 3, 2024.

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 of the integrity, expertise, and experience of all Independent Directors on the Board.

18. NUMBER OF MEETINGS OF THE BOARD

The Board met 4 (four) times during the year. Also, a separate meeting of Independent Directors as prescribed under Schedule IV of the Act, was held during the year under review. The details of meetings of the Board of Directors are provided in the Report on Corporate Governance that forms part of this Integrated Annual Report. The intervening 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 and Committees was conducted in accordance with the provision of the Act and the Listing Regulations. The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The performance review of Non-Independent Directors, the Chairperson and the Board was conducted by the Independent Directors. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors to obtain Directors' inputs on effectiveness of the Board/Committee processes. The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

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 domestic and global business of the Company. Besides this, the Directors are regularly updated about 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/investor/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.

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

A statement showing 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 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 commission by a Director from the holding or subsidiary of a Company:

Director fees of GBP 100,000 each from Bharat Forge International Limited, U.K. for the financial year 2023-24 is payable to Mr. B. N. Kalyani and Mr. A. B. Kalyani.

23. INFORMATION PURSUANT TO REGULATION 30A OF LISTING REGULATIONS

The details in respect of agreements in terms of Regulation 30A read with clause 5A to para A of part A of schedule III of Listing Regulations are available on the Company's website at: https://www.bharatforge.com/assets/pdf/notices/2Disclosure_pursuant.pdf

24. 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/investor/download/NOMINATION_AND_REMUNERATION_POLICY.PDF

25. 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 Practicing Company Secretary regarding compliance with the conditions of corporate governance as stipulated under the Listing Regulations forms 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 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, 2024.

26. SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

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

a. Pursuant to the Power Purchase Agreement and Share Purchase Agreement dated July 27, 2023, J S Auto Cast Foundry India Private Limited, a step-down subsidiary of the Company, acquired 26% of equity shares of Ratnakar Energy Private Limited.

b. An application was made by the Company to Registrar of Companies, Pune (ROC) for the strike-off of BF Premier Energy Systems Private Limited, a joint venture between the Company's wholly owned subsidiary - Kalyani Strategic Systems Limited ("KSSL") and Premier Explosives Limited which has been duly approved by ROC vide letter dated November 25, 2023.

c. Pursuant to the Share Subscription Agreement signed on December 07, 2023, KSSL has acquired a majority stake in Zorya Mashproekt India Private Limited on January 24, 2024 making it a step-down subsidiary of the Company.

As on March 31, 2024, the Company has 34 (Thirty-four) subsidiaries (including step-down subsidiaries) and 2 (Two) associate companies 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 the business of manufacturing forged and machined components for commercial vehicles, passenger vehicles and industrial applications. BF CDP recorded revenue of ₹ 20,645.8 million (Eur 229.9 million) as on March 31, 2024.

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 ₹ 34,134.5 million (USD 412 million) for the year ended March 31, 2024.

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

27. AUDIT COMMITTEE

The Audit Committee comprises of Mr. P. G. Pawar, Independent Director as Chairperson, Mr. P. H. Ravikumar, Independent Director, and Mr. Vimal Bhandari, Independent Director as members. The terms of reference and other details of the Audit Committee including details of meetings held thereof 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 2023-24.

28. 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 66th Annual General Meeting to be held in the year 2027.

The Auditor's Report for the financial year 2023-24 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

The Board has appointed M/s. SVD & Associates, Company Secretaries, Pune, to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024, 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.

Further, as required under Section 204 of the Act and rules thereunder, the Board has appointed M/s. SVD & Associates, Company Secretaries, Pune, to also conduct the Secretarial Audit for the financial year 2024-25.

C. 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 2024-25. As required under the Act, a resolution seeking shareholders' approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 63rd 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 2022-23 was filed with the Ministry of Corporate Affairs on October 13, 2023.

D. Reporting of fraud by auditors

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

29. 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 other details regarding 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/investor/download/BFL-CSR-Policy-Signed.pdf

30. 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 for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors. Your Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (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 this Policy. Your Company has gone beyond the intention of the law and has made this policy gender-neutral. Your Company follows this practice as a 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, the ICC of the Company has received 1 (one) complaint, which is undergoing investigation as on March 31, 2024. Further, the Company reached out to 1,647 employees through awareness sessions to create greater awareness with respect to the Company's Policy on Sexual Harassment at workplace. During the year under review, video-based training on POSH awareness was rolled out to all the employees and is being hosted on the employee portal to create greater awareness on this subject.

31. 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 behavior. 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 personnel of the Company have been denied access to the Audit Committee.

The Company reaches out to employees through physical/virtual sessions with an aim of creating greater awareness on this subject. During the year under review, the Company has received 8 (eight) 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, 2024
8	8	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/investor/download/BFL-Whistle-Blower-Policy-Signed.pdf

32. 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.

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 co-operation received from the Government of India, Governments of various States in India, Financial Institutions and the Bankers. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers and staff of the Company resulting in the successful performance of the Company during the year.

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

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

For and on behalf of the Board of Directors

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

Pune: May 08, 2024

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, 2024, 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 materials - steel, sale of scrap etc.	Purchase of raw material – specialty steel, sale of scrap, job work, leasing of land/premises etc.
c]	Duration of the contracts/ arrangements/transactions	On ongoing basis	On ongoing basis	On ongoing basis
d]	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters. Estimated annual value of ₹ 34,000 million	In tune with market parameters. Estimated annual value of ₹ 20,000 million	In tune with market parameters. Estimated annual value of ₹ 25,000 million
e]	Date(s) of approval by the Board, if any	February 14, 2023	May 22, 2018	May 20, 2019
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 08, 2024

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	220.10
2.	Mr. Amit Kalyani	Joint Managing Director	51.59
3.	Mr. G. K. Agarwal#	Deputy Managing Director	57.52
4.	Mr. B. P. Kalyani	Executive Director	46.60
5.	Mr. S. E. Tandale	Executive Director	52.42
6.	Mr. K. M. Saletore*	Executive Director and Chief Financial Officer	15.54

* Resigned as Executive Director and Chief Financial Officer w.e.f. June 30, 2023

\# Ceased to be Deputy Managing Director on account of completion of tenure w.e.f. closure of working hours on March 31, 2024

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	10.54
2.	Mr. Amit Kalyani	Joint Managing Director	6.35
3.	Mr. G. K. Agarwal#	Deputy Managing Director	23.54
4.	Mr. B. P. Kalyani	Executive Director	16.24
5.	Mr. S. E. Tandale	Executive Director	12.34
6.	Mr. K. M. Saletore*	Executive Director and Chief Financial Officer	NA
7.	Ms. T. R. Chaudhari	Company Secretary	8.50
8.	Mr. K.P. Dixit**	Chief Financial Officer	27.23

* Resigned as Executive Director and Chief Financial Officer w.e.f. June 30, 2023

** Appointed as Chief Financial Officer w.e.f. July 01, 2023

\# Ceased to be Deputy Managing Director on account of completion of tenure w.e.f. closure of working hours on March 31, 2024

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 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 are therefore not considered for the purpose above.

3. **The percentage increase in the median remuneration of employees in the financial year:** 8.56%

4. **The number of permanent employees on the roll of the Company:** 4003

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: 17.01 % (at 50^{th} Percentile)

   Average percentile increase in salaries of non-managerial personnel: 6.85% (at 50^{th} Percentile)

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

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

   The remuneration paid to the Directors is as per the Remuneration policy of the Company.

ANNEXURE "C"

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
Pursuant to Regulation 24A of SEBI (Listing Obligations 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** having CIN: L25209PN1961PLC012046 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2024 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, 2024 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018; **(not applicable to the listed entity during the Review Period);**

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(not applicable to the Company during the audit period);**

   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021;

f) Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (Settlement Regulations) **(not applicable to the Company during the audit period);**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(not applicable to the listed entity during the Review Period);**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2021 **(not applicable to the Company during the audit period);** and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(not applicable to the Company during the audit period).**

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) Secretarial Standards 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 as 'SEBI LODR').

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above subject to the following observations:

1. The National Stock Exchange of India Limited (NSE) vide email dated October 03, 2023 has imposed a fine of INR 10,000/- for delayed compliance of the Regulation 60(2) of the SEBI LODR, which has been paid by the Company on October 11, 2023 i.e. within the time limit specified by NSE.

We further report that,

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

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:

1. The Company, pursuant to the Power Purchase Agreement and Share Purchase Agreement dated July 27, 2023 by J S Auto Cast Foundry India Private Limited ("JS Auto"), a step-down subsidiary of the Company, acquired 26% of equity shares of Ratnakar Energy Private Limited ("REPL").

2. The Company in its Board meeting dated November 06, 2023 approved the termination of the GDR Program and subsequent delisting from the Luxembourg Stock Exchange. The underlying 800 equity shares in this GDR program are listed on the BSE and NSE and will continue to be listed on both the stock exchanges following the termination of the GDR Program.

3. Application was made by the Company to Registrar of Companies, Pune (ROC) for strike off of BF Premier Energy Systems Private Limited, a joint venture between the Company's wholly owned subsidiary - Kalyani Strategic Systems Limited ("KSSL"), and Premier Explosives Limited ("PEL"), which been duly approved by ROC vide letter dated November 25, 2023.

4. Pursuant to the Share Subscription Agreement signed on December 07, 2023, Kalyani Strategic Systems Limited ("KSSL"), a wholly owned subsidiary of the Company, has acquired a majority stake in Zorya Mashproekt India Private Limited ("ZMI") on January 24, 2024 making it a stepdown subsidiary of the Company.

5. The Company raised an amount of INR. 1,250,000,000/- (Rupees One Thousand Two Hundred and Fifty Million only) by way of issuance and allotment of rated, listed, unsecured, redeemable, non-convertible debentures ("NCDs"), on a private placement basis to investors identified by the Investment Committee at its meeting held on March 20, 2024.

For SVD & Associates
Company Secretaries

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

Place: Pune
Date: May 08, 2024

Peer Review No: P2013MH075200
UDIN:

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 these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

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

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

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

DISCLAIMER

6. 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.

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

For SVD & Associates
Company Secretaries

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

Place: Pune
Date: May 08, 2024

Peer Review No: P2013MH075200
UDIN: F006156E000254767

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, our attempt is to constantly keep reshaping our Corporate Social Responsibility ("CSR") initiatives and realign ourselves to better suit the Government's vision for social development. This belief of giving back to the 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 expending 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, skills development, health and hygiene, cleanliness, Swachh Bharat, women empowerment, sustainability, environment and ecological protection and encouragement to the rural players through NGOs.

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. P. G. Pawar	Independent Director, Chairperson of CSR Committee	2	2
2.	Mr. B. N. Kalyani	Chairman and Managing Director, Member of CSR Committee	2	2
3.	Mr. Amit B. Kalyani	Joint Managing Director, Member of CSR Committee	2	2

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF 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-policy02920.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 cognizance 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 financial year 2023-24 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):** ₹ 10,348.03 million

(b) **Two per cent of average net profit of the Company as per Section 135(5):** ₹ 206.96 million

However, the Company's budgeted CSR Annual Action Plan for FY 2023-24 is of ₹ 207.91 million

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

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

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 206.96 million

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

i. Ongoing Projects (Refer Annexure "D1"):₹ 156.47 million

ii. Other than Ongoing Projects (Refer Annexure "D1"):₹ 7.70 million

(b) **Amount spent on Administrative Overheads:** ₹ 6.06 million (3.54% of the total CSR expenditure for the financial year)

(c) **Amount spent on Impact Assessment, if applicable:** ₹ 0.85 million (0.495% of the total CSR expenditure for the financial year)

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 171.08 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
171.08	36.83	April 30, 2024	-	-	-

(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)	206.96
(ii)	Total amount spent for the Financial Year	171.08
(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.	2020-21	27	-	FY 21-22: 14.88 FY 22-23:12.12	-	-	-	-
2.	2021-22	25.80	6.16	FY 22-23: 19.64 FY 23-24: 6.16	-	-	-	-
3.	2022-23	29.00	29.00	FY 22-23: 24.58	-	-	4.42	-
	TOTAL							

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):

The Company needs to mandatorily spend an amount of ₹ 206.96 million towards CSR activities during the financial year 2023-2024. As certain ongoing CSR projects began in this financial year 2023-24, the amount of these projects will be spent in a phased manner. The unspent amount of ₹ 36.83 million pertaining to our ongoing CSR projects has been transferred to Unspent CSR Account 2023-2024.

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

P. G. PAWAR
Chairperson, CSR Committee
DIN:00018985

ANNEXURE D1

DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project – State	Location of the project – District	Project Duration (in years)	Amount allocated for the project (in ₹ Million)	Amount spent in the current financial Year (in ₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Million)	Mode of Imple-mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency – Name	Mode of Implementation - Through Implementing Agency – CSR Registration number
1	Environment Projects											
	i. Tree Plantation, Solar Lamps & Waste Management	(iv)	Yes/No	Maharashtra	Satara, Pune, Ahmednagar, Solapur	3 Years	60.00	48.174	11.826	No	Agriculture Development Trust & Know How foundation	CSR00001043 & CSR00002818
	ii. Swachh Sunder Gaon Competition				Satara		5.00	0.327	4.673	Yes	-	-
	iii. Pune Cantonment & Force one Commando Training Centre tree plantation and garden maintenance		Yes		Pune Ghorpadi		2.00	1.217	0.783	Yes	-	-
2	Village Development Project- Working on 5 major indicators- water, internal roads, livelihood, health & education											
	i. Water ii. Internal Roads and solar lamps iii. Livelihood	(x)	Yes/No	Maharashtra	Satara, Pune, Ahmednagar, Solapur, Osmanabad & Kolhapur	3 Years	80.00	74.661	5.339	No	Maharashtra Arogya Mandal	CSR00002233
	iv. Health - Under health, below are the initiatives											
	a) Strengthening of Primary Health Care Centres and health care infrastructure	(i)	Yes/No	Maharashtra	Pune & Satara	3 Years	1.00	0.829	0.171	Yes	-	-
	b) Telemedicine	(i)	Yes/No	Maharashtra	Pune & Satara	3 Years	8.00	4.986	3.014	Yes, with expertise obtained from Doorstep Health Services Private Limited		-
	c) Cancer screening camps	(i)	Yes/No	Maharashtra	Pune & Satara	3 Years	1.00	0.000	1.000	No	Pune Neurosciences Trust and Research Society	CSR00003785
	v. Education - Infrastructure Development & Mission Sanitation of Schools (ZP & Govt.)	(ii)	Yes	Maharashtra	Pune	3 Years	7.50	3.602	3.898	Yes	-	-
3	Pratham Pune	(ii)	Yes	Maharashtra	Pune	3 Years	7.00	6.357	0.563	No	Pratham	CSR00001197
4	Pradyna Vikas	(ii)	Yes	Maharashtra	Pune		1.70	1.740		No	Jnana Prabodhini	CSR00002565
5	Anubhav Shala Khelghar	(ii)	Yes	Maharashtra	Pune		1.50	1.540		No	Jnana Prabodhini	CSR00002565

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration (in years)	Amount allocated for the project (in ₹ Million)	Amount spent in the current financial Year (in ₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
6	Support to Industrial Training institutes as Industry partners and skill development trainings	(i)	Yes	Maharashtra	Pune	3 Years	2.20	0.206	1.994	Yes	-	-
7	Development of Centre of Excellence Vidya Prathisthan & skill education		Yes	Maharashtra	Pune		3.00	0.000	3.000	Yes	-	-
8	Community Development & Women Empowerment	(iii)	Yes	Maharashtra	Pune		0.90	0.636	0.264	Yes	-	-
9	Lakshya	(vii)	Yes	Maharashtra	Pune	3 Years	3.00	2.700	0.300	No	Lakshya	CSR00002633
10	Support to Shivshrushti Project	(v)	Yes	Maharashtra	Pune	3 Years	9.50	9.500	0.000	No	Maharaja Shivachhatrapati Pratishthan Trust	CSR00009176
Total							193.30	156.475	36.825			

DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	One-time Rural development & other initiatives	(x)	Yes No	Maharashtra	Pune Satara	7.70	Yes	-	-
Total						7.70			

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, 2024

A. CONSERVATION OF ENERGY

Your Company is constantly improving and innovating ways to reduce energy consumption and resulting emissions in the Company's manufacturing processes. The Company has taken the projects as stated below to conserve energy and reduce Green House Gas emissions in financial year 2023-24.

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

Process Equipment

- Installation of energy efficient induction billet heater
- Replacement of fuel fired furnace with induction billet heater
- Replacement of inefficient motors in the induction billet heater operation
- Reduction of idle time in the exhaust blower operations

Compressors

- Replacement of inefficient compressors
- Replacement of air-cooled compressors with water-cooled compressors
- Modification in nozzle design to reduce the air pressure requirement

Cooling Towers and Chillers

- Replacement of open loop cooling towers with closed loop cooling towers
- VFD installation in the cooling tower operations
- Energy efficient pumps for coolant circulation in cooling towers/chillers operation
- Interlocking of the cooling tower pump with the press operations
- Reduction of idle time of coolant pumps used in the machine operations

Lighting and Automatic Power Factor Correction Panel

- Replacement of metal halide lamps with energy efficient LEDs
- Installation of automatic Power factor correction panel

Energy efficiency projects mentioned above contributed to a reduction of electricity consumption by 5,630 MWh/Annum & reduction of emissions by 3,997 tCO2e.

II. Steps taken for utilising alternate source of energy:

a. The Company has utilised 1,18,234 MWh of solar electricity and 35,165 MWh of electricity from wind-based turbines to reduce GHG emissions. It is part of the Company's Decarbonisation plan, which includes the improvement of energy mix towards the adoption of renewable energy and the replacement of fossil dense fuels with those having comparatively lesser emissions.

b. Replacement of Oils (Furnace oil, LDO, Biodiesel & SKO) with cleaner fuels (PNG & LPG) in furnace operations.

Initiatives mentioned in points a and b above contributed to a reduction in oil consumption to the extent of 2,015 KL, & reduction of emissions by 1,09,075 tCO2e.

III. The Capital investment on energy conservation equipment:

The Company has not made any capital investments on energy conservation equipment during the year.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards technology absorption:

- Deep cryogenic treatment on the engine parts to enhance the horsepower and life span/durability.
- Carbon fiber-epoxy composite patch for restricting the crack growth in steel plates
- Carbonitriding of H13 steel for increasing the wear resistance at elevated temperatures.
- Design and development of closed die forging process for Rotor load compressor (Ti6Al4V) to be used in critical application of aerospace sector.
- Design and development of closed die forging process for Forging Impeller (Ti6Al4V) to be used in critical application of aerospace sector.
- Material flow velocity analysis of Forged part (Al2014).
- Development of different grades ADI Cast iron for various products
- Scroll compressor development for commercial vehicles.
- Ice axe and Cramp-on development for the Indian Army
- Manufacturing Coupling Half with Back Taper
- Use of carbon fiber to restrict the crack to propagate further (BFL)
- Replacement of cooling towers of 8000 T IBH from natural to close loop (BFL)
- Big Forgings on 400 KJ Hammer (CAM)
- Increasing productivity of forging press by forging two parts together
- Design Innovation of Crane and Leg Design of 155mm/52cal MGS 8x8 Gun system
- Design, Development and Proof testing of 105mm37Cal Ordnance – Barrel, Breech and Muzzle Brake
- Replacement of hydro-pneumatic suspension system with spring suspension system in ULH Gun System
- Design and Development of Primer Ejection, Firing & Feeding, Safety lock for ATAGS gun system
- Design and Development of The Quick Reaction Force Vehicles (Heavy)
- Design and Development of High Mobility Reconnaissance Vehicles
- Design and Development of TC 20 for gun
- Design and Development of Mine Protected Vehicle Class III.
- PRAVEGH 40 kgf Engine Design and Development
- Forging of Fluid Ends in PH grade Stainless Steels (17-4PH, 15-5PH)
- Improvement in Properties for Tube Forging
- Productivity Improvement by introducing Modified Fixtures Holding Two Parts at a Time
- Development of Spiral Bevel Gears & Laser Welded Differential
- Development of Multispeed Parallel Axis e-Driveline
- Application of DLC Coating for Cross Pin
- Indigenously Designed, Developed and Successfully tested the ACM (Air Cycle Machine) for pod cooling application in the Military aircraft.
- Indigenous Design, Development and Testing (in progress) for the 45 kgf Turbojet Gas Turbine engine for Target drones, UAVs & range extender applications.
- Technology development for indigenous manufacture of critical parts of a military fighter aeroengine. The parts include three concentric rings of afterburner section & cold flaps of an exhaust nozzle module. The technology development includes design of parts and establishing the complex manufacturing processes of vacuum investment casting, sheet metal forming, machining and riveting of an aerospace grade alloy.

Technical Papers:

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

- Microstructure evolution and mechanical properties of friction welded IN713LC and AISI 4140.
- Microstructure and mechanical properties of friction welded carbon steel (EN24) and nickel-based superalloy (IN718).
- Effect of cooling rate on the Microstructure and Mechanical properties of near- α Ti alloy, International Conference & Exhibition for Forging Industry 1.
- Microstructure evolution during hot deformation and its validation with Simulation for Nickel based Super alloy, International Conference & Exhibition for Forging Industry.
- Factors Affecting Die Life and its performance, International Conference & Exhibition for Forging Industry.
- Optimisation of austenitising temperature to achieve desired properties of heavy section Austempered ductile Iron (ADI) Casting, ISSN0972-0480.
- Effect of electron beam weld bead geometry on the mechanical properties of Ti6Al4V alloy.
- Influence of residual stress due to shot peening.

IP Generation:

During the year 2023-2024, a total of 41 patents were granted and 1 design registration has been received.

With this, the Company now has in its portfolio 97 patent families with 71 jurisdiction-wise grants and 10 designs with 3 registered designs.

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

- New business development in the area of exotic alloys (closed die forging for Ti6Al4VELI, Ti6Al4V, Al2014).
- Indigenous development of different grades ADI Cast iron for various products
- Development of process parameter for AISI 4340 alloy for Defence application (Additive manufacturing)
- Friction stir welding process introduced in product improvement in EV for DC-DC convertor cold plate.
- In the 45 kgf turbojet engine, 5 product components/sub-systems are identified for patent application:
  - Design of cross-over diffuser for compactness, less weight and improved performance
  - Flame tube (Combustion chamber) for reliable ignition and increased flame stability
  - Split Nozzle Guide Vane (NGV) to facilitate thermal expansion & avoid buckling of vane and isolate bearing loads from engine casing
  - Secondary Air system design for mist lubrication & effective cooling & sealing of discs
  - Sectored ECU (Engine Control Unit) design for compactness and in-build chip for data storage
- In ACM (Air Cycle Machine), 3 product components/sub-systems are identified for patent application:
  - Double cantilever bearing sleeve for improved rotor dynamics
  - Design configuration for bearing sleeve mounting along with O-ring
  - Design of flexible mounting configuration for bearing to avoid critical speed in operating zone

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
Establishment of green hydrogen generation laboratory	2022	Yes	-
Conversion of green hydrogen to electrical energy using fuel cell	2023	Yes	-

IV. Expenditure on Research and Development:

In ₹ Million

Sl. No.	Particulars	Amount
i)	Capital	11.42
ii)	Recurring	566.41
iii)	Total R&D expenditure	577.83
iv)	Total Income	91,309.75
v)	Total R&D expenditure as a percentage of total income	0.64%

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:

- Delivered highest ever exports in the midst of economic & geopolitical uncertainties across the Globe and unexpected sudden supply chain disruptions (Red Sea crisis).
- Registered Strong YOY growth across key segments – CV, PV and C&M.
- Registered significant business wins (across segments and across geographies) and added new customers.
- Continue to strengthen dominant market share across key Markets with strong focus on executing "Last Man Standing" strategy.
- Continue to receive several recognitions from customers across the Globe for our manufacturing excellence, technological expertise and "Customer First" approach.
- Several growth initiatives (internal & external) underway including addition of new Products and new Customers.

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

i. Total Foreign Exchange earnings : ₹ 49,357.81 million

ii. Total ForeignExchange outgo : ₹ 8,385.69 million

Report on Corporate Governance

I. CORPORATE GOVERNANCE PHILOSOPHY

The Company believes that corporate governance encompasses the principles, values, and practices that guide the 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 with adherence 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. As on March 31, 2024, the Company has 14 (Fourteen) Directors. Of the fourteen Directors, eight (i.e. 57.1%) are Independent Directors, including two women Independent Directors, five (i.e. 35.7%) are Executive Directors (including the Chairman and Managing Director, who is a Promoter Director), and one (i.e. 7.1%) 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.

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

Number of Board Meetings and Attendance of Directors

During the financial year 2023-24, the Board of the Company met 4 (Four) times, in compliance with the provisions of the Act and Listing Regulations with a maximum and minimum time gap of 97 (Ninety-Seven) and 79 (Seventy-Nine) days respectively between two Board Meetings. The said meetings were held on May 5, 2023; August 9, 2023; November 6, 2023 and February 12, 2024. 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 Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted with the consent of all the Independent Directors. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

Directors' 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 other Indian Public Limited Companies as on March 31, 2024, and attendance in the Board meetings and Annual General Meeting ("AGM") held during the financial year 2023-24 are given herein below in Table 1:

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

Name of the Directors	Number of Board Meetings attended during the FY 2023-24	Whether attended last AGM held on August 10, 2023	Category	No. of Directorship(s) and Committee Membership(s)/Chairmanship(s) in Public Companies including the Company as on March 31, 2024*			Directorship in other listed entity (Category of Directorship)
				Number of Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)	
Mr. B. N. Kalyani	4	Yes	Promoter-Executive	5	4	1	1. Kalyani Steels Limited$ 2. BF Utilities Limited$ 3. Automotive Axles Limited$
Mr. P. G. Pawar	4	Yes	Independent Non-Executive	2	2	2	--
Mrs. Lalita D. Gupte	4	Yes	Independent Non-Executive	2	2	Nil	1. ICICI Lombard General Insurance Company Limited#
Mr. P. H. Ravikumar	4	Yes	Independent Non-Executive	5	5	2	1. Aditya Birla Capital Limited#
Mr. Vimal Bhandari	4	Yes	Independent Non-Executive	7	6	2	1. Escorts Kubota Limited# 2. DCM Shriram Limited# 3. JK Tyres & Industries Limited# 4. Kalpataru Projects International Limited#
Mr. Dipak Mane	4	Yes	Independent Non-Executive	1	Nil	Nil	--
Mr. Murali Sivaraman	4	Yes	Independent Non-Executive	7	6	1	1. Huhtamaki India Limited# 2. ICICI Lombard General Insurance Company Limited# 3. Medplus Health Services Limited# 4. Welspun Living Limited# 5. Pidilite Industries Limited#
Mr. K. B. S. Anand	3	Yes	Independent Non-Executive	6	6	1	1. Tata Chemicals Limited# 2. UFO Moviez India Limited# 3. Galaxy Surfactants Limited# 4. Borosil Limited# 5. Lupin Limited#
Ms. Sonia Singh	4	Yes	Independent Non-Executive	3	2	1	1. Kansai Nerolac Paints Limited#
Mr. G. K. Agarwal>	4	Yes	Executive	1	Nil	Nil	--
Mr. Amit Kalyani&	4	Yes	Promoter-Executive	7	2	Nil	1. Kalyani Steels Limited$ 2. Schaeffler India Limited# 3. BF Utilities Limited$ 4. Hikal Limited$ 5. BF Investment Limited$ 6. Kalyani Investment Company Limited$
Mr. B. P. Kalyani	3	Yes	Executive	1	Nil	Nil	--
Mr. S. E. Tandale	4	Yes	Executive	1	Nil	Nil	--
Mr. Ashish Bharat Ram@	2	NA	Non-Executive Non-Independent	7	2	1	1. SRF Limited^ 3. Havells India Limited# 4. Kama Holdings Limited$
Mr. Kishore Saletore+	1	NA	Executive	Nil	Nil	Nil	--

$ Non-Executive Non-Independent

Independent, Non-Executive

^ Executive

* Other Directorships do not include Foreign Companies, Private Limited Companies and Section 8 Companies. In accordance with Regulation 26(1)(b) of Listing Regulations, Memberships/Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee in all Indian Public Limited Companies have been considered. The number of directorship(s), committee membership(s) of all Directors is within the respective limits prescribed under the Act and Listing Regulations.

& Re-appointed as Vice Chairman & Joint Managing Director w.e.f. May 11, 2024 on recommendation of NRC & approval of Board, subject to approval for shareholders by way of Postal Ballot notice dated April 3, 2024

> Ceased to be Deputy Managing Director on account of completion of tenure w.e.f. closure of working hours on March 31, 2024

@ Appointed as Non-Executive Non-Independent Director w.e.f. September 1, 2023

+ Resigned as Executive Director and Chief Financial Officer w.e.f. June 30, 2023

Independent Directors

In the opinion of the Board of Directors, each Independent Director fulfills conditions specified in the Section 149(6) of the Act and Listing Regulations, 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/investor/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 2023-24, 1 (one) meeting of Independent Directors was held on May 4, 2023, without the presence of any Non-Independent Director. 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 actions taken for implementing the observations/suggestions received from the Independent Directors.

All new Independent Directors inducted to the Board are introduced to our Company culture through orientation sessions. Executive Directors and senior management provide an overview of operations and familiarise the new Non-Executive Directors on matters related to our values and commitments. They are also introduced to the organisation structure, services, group structure and subsidiaries, constitution, Board procedures and business strategy. The details of 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/investor/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 fix criteria for identifying, screening, recruiting and recommending a candidate having an appropriate mix of diversity, skills, expertise and competencies for better anticipating the risks and opportunities in building a long-term sustainable business of the Company.

The below Table 2 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	Strategy and Planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies, and priorities.
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 Company 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 the Table 3 below, the specific areas of focus or expertise of individual Board members have been 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. P. G. Pawar	√	√	√	-	√	√
Mr. Vimal Bhandari	√	√	√	√	√	√
Mr. P. H. Ravikumar	√	√	√	√	√	√
Mrs. Lalita D. Gupte	√	√	-	√	√	√
Mr. Dipak Mane	√	√	√	√	√	√
Mr. Murali Sivaraman	√	√	-	√	√	√
Mr. K. B. S. Anand	√	√	-	√	-	√
Ms. Sonia Singh	√	√	-	√	-	-
Mr. G. K. Agarwal#	√	√	√	√	√	√
Mr. Amit Kalyani	√	√	√	√	√	√
Mr. B. P. Kalyani	√	√	√	-	-	√
Mr. S. E. Tandale	√	√	√	√	√	√
Mr. Ashish Bharat Ram	√	√	-	-	√	√

Ceased to be Deputy Managing Director on account of completion of tenure w.e.f. closure of working hours on March 31, 2024

IV. BOARD COMMITTEES

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Board has constituted 5 mandatory and 1 voluntary committee, details of which are as mentioned below. The Chairperson of the respective committee informs the Board about 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 meeting 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

Audit Committee
- Mr. P.G. Pawar - Chairperson
- Mr. P.H. Ravikumar
- Mr. Vimal Bhandari

Nomination & Remuneration Committee
- Mr. Dipak Mane – Chairperson
- Mr. P.G. Pawar
- Mr. Vimal Bhandari

Corporate Social Responsibility Committee
- Mr. P.G. Pawar - Chairperson
- Mr. B.N. Kalyani
- Mr. Amit Kalyani

Stakeholders Relationship Committee
- Mr. P.G. Pawar - Chairperson
- Mr. B.N. Kalyani
- Mrs. Lalita D. Gupte

Finance & Risk Management Committee
- Mr. B.N. Kalyani - Chairperson
- Mr. Amit Kalyani
- Mr. Vimal Bhandari
- Mr. Murali Sivaraman

Environmental, Social & Governance Committee
- Mr. Amit Kalyani – Chairperson
- Mr. Murali Sivaraman
- Mr. Dipak Mane

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/investor/download/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 to the Board a remuneration policy, 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 carry out evaluation of every Director's performance;

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

The Nomination and Remuneration Policy of the Company along with the terms of reference of the committee is available on Company's website at the link: https://www.bharatforge.com/assets/pdf/investor/download/NOMINATION_AND_REMUNERATION_POLICY.PDF

Reward Philosophy

At Bharat Forge, our Total Rewards Philosophy forms one of the major cornerstones of our approach to corporate governance and is aligned with the business and people strategy. It guides us in ensuring that our decisions are aligned with external benchmarks, maintain internal parity, comply with regulations, and take into account both employer affordability and employee perspectives. Our approach to rewards extends beyond just salary increments, as we believe in providing holistic rewards that encompass various benefits. We understand the need for rewards in the form of career advancement opportunities, global mobility initiatives, higher education support, etc. In addition, we also have a rewards and recognition programme in place for timely appreciation of our star performers and thus motivating them to continue to outperform.

This Total Rewards framework ensures equitable compensation aligned with the skills and roles of individuals and workplace benefits that foster an encouraging environment for our employees. Moreover, we empower our workforce by offering opportunities to contribute to social causes, fuelling their motivation and solidifying their association with our organisation.

We prioritise the three Cs: Competitiveness, Contextualisation, and Cause. This means that our rewards are competitive in the market, tailored to individual needs and preferences, and aligned with the greater causes and aspirations of our employees. In terms of execution, we are committed to ensuring a fair, equitable and meritocratic management of our Total Rewards programme.

This philosophy guides us in creating a robust and purposeful rewards programme that enriches the employee experience, drives performance, and contributes to the overall success and sustainability of our organisation.

Variable Pay (Short-Term Incentive/Commission/Performance Incentive) Policy

Variable Pay (Short Term Incentive/Commission/Performance Incentive) Policy has been strategically designed to reward the valuable contributions made by our employees in accomplishing our business objectives. These incentives serve as a powerful motivation for our workforce, driving them to continuously strive for excellence and attain remarkable results. Our Variable Pay programme offers eligible employees the chance to partake in the company's growth but also presents a substantial earning opportunity for those who consistently demonstrate exceptional performance. The disbursement of these incentives aligns with the Company policy, which takes into account both individual and organisational performance throughout the fiscal year.

Long-Term Cash Incentive (LTCI)

The LTCI plan is a discretionary programme designed to reward employees who have displayed exceptional potential for future business growth.

The primary objectives of this plan are as follows:

(i) To attract, retain, and motivate talented individuals who play a critical role within the organisation, recognising their significant contributions.

(ii) To align the interests of employees with the overall goals and objectives of the company.

(iii) To provide a framework that enables our employees to create long-term financial prosperity.

(iv) To empower employees to actively engage in their own wealth creation journey promoting a sense of ownership of their own compensation and commitment to achieving exceptional results.

By implementing the LTCI plan, we aim to cultivate a workforce that is motivated and committed to achieving long-term success, while also fostering a strong connection between individual employees and the organisation's overall growth and striking competitiveness in our compensation structure aligned with industry trends. To determine individual performance, company performance and the potential of the employee we follow a comprehensive appraisal process, balanced scorecard approach and organisation leadership review process respectively.

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, 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/investor/download/BFL-CSR-Policy-Signed.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 Integrated 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/investor/download/tr-stakeholders-relationship-committee.pdf

Number of complaints received and redressed during the year 2023-24

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, 2023	Nil
Number of complaints received during the year ended March 31, 2024	8
Number of complaints resolved during the year ended March 31, 2024	7
Number of complaints not solved to the satisfaction of shareholders during the year ended March 31, 2024	Nil
Number of complaints pending as on March 31, 2024*	1

* Complaint was received in March 2024 and was resolved on April 12, 2024

5. Finance and Risk Management Committee

Terms of Reference

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

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

b. To formulate a framework for 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 oversee 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/investor/download/risk-management-policy.pdf

6. Environmental, Social and Governance Committee

The Company has voluntarily constituted Environmental, Social and Governance ("ESG") Committee in order 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 Integrated Annual Report of the Company.

With the growing significance of ESG, the Company has maintained its focus towards the initiatives around sustainability and value creation for the 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 towards its unwavering commitment towards compliance, resource efficiency, climate action, human capital development, customer satisfaction, a sustainable supply chain and its support to 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	Finance and Risk Management Committee	Environmental, Social and Governance Committee
No. of meetings held	5	4	1	2	2	2
Date of meetings	1. May 5, 2023 2. May 30, 2023 3. August 9, 2023 4. November 6, 2023 5. February 12, 2024	1. May 4, 2023 2. August 9, 2023 3. November 6, 2023 4. February 12, 2024	1. May 4, 2023	1. May 4, 2023 2. February 8, 2024	1. April 21, 2023 2. October 11, 2023	1. May 5, 2023 2. February 9, 2024
			No. of Meetings Attended			
Name of Member						
Mr. P. G. Pawar	5	4	1	2	-	-
Mr. P. H. Ravikumar	5	-	-	-	-	-
Mr. Vimal Bhandari	5	4	-	-	2	-
Mr. B. N. Kalyani	-	-	1	2	-	-
Mr. Amit Kalyani	-	-	-	2	2	2
Mrs. Lalita D. Gupte	-	-	1	-	-	-
Mr. Dipak Mane	-	4	-	-	-	2
Mr. Murali Sivaraman	-	-	-	-	2	2
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings					

Functional Committee

The Board is authorised to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meetings of such Committees are held, as and when the need arises. The time 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 for complying with 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. Kishore Saletore	Executive Director & Chief Financial Officer	Yes	Ceased to be Chief Financial Officer and senior management w.e.f. June 30, 2023
2)	Mr. Santosh Bhave	Director - HR & IR	No	-
3)	Mr. Guru Biswal	Chief Executive Officer–Aerospace Business	No	-
4)	Mr. Neelesh Tungar	President–Defence Business	No	-
5)	Mr. Sumeet Banga	President and CEO–Industrial Business	Yes	Designated as senior management w.e.f. December 1, 2023
6)	Mr. Vivek Dwivedi	President and Chief Technology Officer	Yes	Ceased to be senior management w.e.f. August 31, 2023
7)	Mr. Sushant Pustake	President-CAM Baramati	Yes	Ceased to be senior management w.e.f. September 30, 2023
8)	Mr. Sanjeev Nimkar	President and CEO–Industrial Business	Yes	Ceased to be senior management w.e.f. December 1, 2023
9)	Mr. Yogesh Zope	Chief Information Officer	No	-
10)	Mr. Kedar Dixit	Chief Financial Officer*	No	-
11)	Mr. Atul Dhavle	Sr. Vice President and Chief Human Resource Officer	Yes	Ceased to be senior management w.e.f. March 8, 2024
12)	Mr. Jitendra Mande	Sr. Vice President-Quality	No	-
13)	Mr. S. Rajhagopalan	Vice President - Investor Relations	No	-
14)	Mr. Muthumohanraj R. M.	Vice President – Lightweighting Technology	No	-
15)	Mr. Nitin Shesh	Vice President - Internal Audit & Assurance	No	-
16)	Mr. Atul Jagtap	Vice President - Materials	No	-
17)	Ms. Tejaswini Chaudhari	Company Secretary	No	-

* Mr. Kedar Dixit was appointed as Chief Financial Officer w.e.f. July 1, 2023

Remuneration of Directors

Information on remuneration of Directors for the year ended March 31, 2024, is as mentioned in the table below:

Remuneration paid or payable to Directors for the year ended March 31, 2024 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. P. G. Pawar	None	1,250,000	1,562,500	2,812,500
Mrs. Lalita D. Gupte	None	450,000	562,500	1,012,500
Mr. P. H. Ravikumar	None	900,000	1,125,000	2,025,000
Mr. Dipak Mane	None	700,000	875,000	1,575,000
Mr. Murali Sivaraman	None	600,000	750,000	1,350,000
Mr. Vimal Bhandari	None	1,200,000	1,500,000	2,700,000
Mr. K. B. S. Anand	None	300,000	375,000	675,000
Ms. Sonia Singh	None	400,000	500,000	900,000
Mr. Ashish Bharat Ram	None	200,000	250,000	450,000

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	161,868,927	7,153,920	-	66,971,000	235,993,847
Mr. G. K. Agarwal#	None	50,507,810	1,468,800	-	3,000,000	54,976,610
Mr. Amit Kalyani	Son of Mr. B. N. Kalyani	42,489,975	3,633,840	-	25,606,000	71,729,815
Mr. B. P. Kalyani	None	27,047,941	1,536,192	1,200,000	19,267,000	49,051,133
Mr. S. E. Tandale	None	31,039,172	1,779,075	1,500,000	20,909,000	55,227,247
Mr. Kishore Saletore@	None	7,352,560	673,920	-	3,394,000	11,420,480

Notes:

* 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.

Ceased to be Deputy Managing Director on account of completion of tenure w.e.f. closure of working hours on March 31, 2024

@ Resigned as Executive Director w.e.f. June 30, 2023

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

The remuneration payments in the Company are made with the aim of rewarding performance, based on a review of achievements. Payments and 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, 2024, 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. G. K. Agarwal#	4,910
Mr. S. E. Tandale	208
Mr. P. H. Ravikumar	6,625

\# Ceased to be Deputy Managing Director on account of completion of tenure w.e.f. closure of working hours on March 31, 2024

Other Directors do not hold any equity shares of the Company. The Company does not have any convertible instruments as on March 31, 2024.

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 last three Annual General Meetings

Financial year ended	March 31, 2023	March 31, 2022	March 31, 2021
Day and Date of AGM	Thursday, August 10, 2023	Friday, August 12, 2022	Friday, August 13, 2021
Venue	Conducted through video conferencing / other audio-visual means		
Time	11:00 a.m. (I.S.T)	11:00 a.m. (I.S.T)	11:30 a.m. (I.S.T)
Special Resolutions Passed	None	1. Appointment of Mr. K. B. S. Anand (DIN: 03518282) as an Independent Director of the Company 2. Appointment of Ms. Sonia Singh (DIN: 07108778) as an Independent Director of the Company	None

No Extraordinary General Meeting of the Members was held during the year 2023-24.

Postal Ballot

During the year 2023-24, the Company passed three resolutions by way of postal ballot, as mentioned below:

Table 11: Details of Postal Ballot

Date of Postal Ballot notice	Particulars of resolution passed	Approval date	Scrutiniser	Voting results
April 14, 2023	Special Resolution for re-appointment of Mr. B. N. Kalyani (DIN: 00089380) as the Managing Director of the Company for a period of 5 (five) years with effect from March 30, 2023	May 27, 2023	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
April 14, 2023	Special Resolution for re-appointment of Mr. G. K. Agarwal (DIN: 00037678) as a Deputy Managing Director of the Company for a period of 1 (one) year with effect from April 01, 2023.	May 27, 2023		
September 1, 2023	Ordinary Resolution for appointment of Mr. Ashish Bharat Ram (DIN: 00671567) as a Non-Executive Non-Independent Director of the Company	October 12, 2023		

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 Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and applicable circulars issued by the MCA and SEBI from time to time.

Special Resolutions proposed to be conducted through Postal Ballot

The Board on the basis of recommendations of the Nomination and Remuneration Committee, proposed the re-appointment of Mr. Amit Kalyani as Whole-time Director designated as Vice-Chairman and Joint Managing Director of the Company and the re-appointment of Mr. Dipak Mane as an Independent Director of the Company. Pursuant to the provisions of Listing Regulations, the approval of shareholders for appointment or re-appointment of Director is required to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Since, the proposed re-appointment of Mr. Amit Kalyani and Mr. Dipak Mane is with effect from May 11, 2024, and June 21, 2024, respectively, and the upcoming annual general meeting is scheduled on August 9, 2024, in order to comply with the extant Listing Regulations, it was proposed to seek shareholders' approval by way of postal ballot.

In consideration of the above, the Board of Directors has, in its meetings held on Monday, February 12, 2024 and Wednesday, April 3, 2024, given the approval to conduct Postal Ballot by electronic mode (i.e. through remote e-voting) for obtaining members' approval by:

Ordinary Resolution for re-appointment of Mr. Amit Kalyani (DIN: 00089430) as Whole-time Director designated as Vice-Chairman and Joint Managing Director of the Company for a period of 5 (five) years with effect from May 11, 2024; and

Special Resolution for re-appointment of Mr. Dipak Mane (DIN: 01215889), as an Independent Director of the Company for a period of 5 (five) years with effect from June 21, 2024

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/investor/download/BFL.RPT-Policy.pdf

None of the transactions with any of the related parties conflicted with the interest 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, 2024 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 has been paid by the Company within the prescribed time.

b) The NSE vide letter dated September 14, 2022 has imposed a penalty of ₹ 1,000/- for delayed submission of statement under Regulation 52(7)/(7A) of Listing Regulations, which has been paid by the Company within the prescribed time.

c) The NSE vide its letter dated August 2, 2022, reversed the penalty of ₹ 1,000/- , which was imposed for delayed submission of a report under Regulation 13(3) of Listing Regulations for the quarter ended September 30, 2021.

4. Establishment of Vigil/Whistle Blower Mechanism

The Company's Whistle Blower mechanism provides a secured 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 violation 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 Listing Regulations (including statutory enactments/amendments thereof) and is intended to identify material subsidiaries and to establish a governance framework for such subsidiaries. The details of policy on determining material subsidiaries have been disclosed on the Company's website at the link: https://www.bharatforge.com/assets/pdf/investor/download/Policy-on-Material-Subsidiary-BFL.pdf

6. Disclosure of Accounting Treatment

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

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 Enterprise Risk Management (ERM) framework which enables the Company to proactively identify, assess, and manage risks across all levels and functions. By integrating risk management into strategic decision-making processes, ERM helps in anticipating and mitigating potential threats while capitalising on opportunities for growth. 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 with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures. The Company's exposure to market risks for commodities and currencies are detailed in Note No. 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 give annual certifications on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulations. The said Certificate is annexed and forms part of the Integrated Annual Report. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

10. Certificate from Practising Company Secretary

The Company has obtained a Certificate dated May 8, 2024, 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.

11. Code of Conduct

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

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

12. Subsidiary Companies

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

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

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 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	March 17, 2022

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 is a part, are given in Table 13 below:

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

Particulars	₹ (in million)	₹ (Full figure)
BSR & CO LLP		
Audit Fee	13.45	13,453,650.00
Limited Review	8.06	8,057,699.68
Others (including certification fees)	6.87	6,874,752.52
Reimbursement of Expenses	1.51	1,506,954.06
Sub Total	**29.89**	**29,893,056.26**
KPMG India Services LLP		
Audit Fee	-	-
Limited Review	-	-
Others (including certification fees)	1.68	1,679,835.00
Reimbursement of Expenses	-	-
Sub Total	**1.68**	**1,679,835.00**
Total	**31.57**	**31,572,891.26**

VII. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

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

1. **Audit Qualification**
The auditors' report on financial statements of the Company is unmodified.

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

VIII. MEANS OF COMMUNICATION

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

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

1. **Website**
The Company's website contains a separate dedicated section titled "Investors". The basic information about the Company, as called for in terms of Regulation 46 and Regulation 62 of 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 & sustainability initiatives, shareholding pattern, key Company Policies, and contact details for assisting investors and handling 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 service 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 are made to Institutional Investors and Financial Analysts on the un-audited quarterly financial results as well as the annual audited financial results of the Company.

3. **Filing with Stock Exchanges**
Information to Stock Exchanges is filed online on 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. **Integrated 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 : Friday

Date : August 9, 2024

Time : 11 a.m.

Venue : Through Video Conferencing

3. **Financial Year**
   April 1, 2023 to March 31, 2024

4. **Financial Reporting Calendar (Tentative) for FY 2024-25**

Quarter ending June 30, 2024	on or before August 14, 2024
Quarter ending September 30, 2024	on or before November 15, 2024
Quarter ending December 31, 2024	on or before February 14, 2025
Audited results for the financial year 2024-2025	on or before May 29, 2025

5. **Dividend**
   The Board has recommended a Final Dividend of ₹ 6.50/- (Rupees Six and Fifty paisa) per equity share of ₹ 2/- each (325%) for the year ended March 31, 2024, which if approved, shall be paid on or after August 14, 2024.

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 dividend that has remained unclaimed for a period of 7 (seven) consecutive years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also mandate that the shares on which dividend has not been paid or claimed for 7 (seven) consecutive years or more be transferred to the IEPF. The details are given in Table 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 (₹)*
2016-17	Interim	2.50	February 8, 2017	March 16, 2024	1,876,035@
2016-17	Final	5.00	August 10, 2017	September 15, 2024	3,208,445
2017-18	Interim	2.00	November 8, 2017	December 13, 2024	3,004,226
2017-18	Final	2.50	August 9, 2018	September 22, 2025	2,726,835
2018-19	Interim	2.50	November 2, 2018	January 5, 2026	2,694,220
2018-19	Final	2.50	August 13, 2019	September 18, 2026	2,831,833
2019-20	Interim-I	1.50	November 8, 2019	December 13, 2026	2,059,970
2019-20	Interim-II	2.00	February 24, 2020	March 29, 2027	2,948,656
2020-21	Final	2.00	August 13, 2021	October 13, 2028	2,000,482
2021-22	Interim	1.50	November 12, 2021	January 12, 2028	1,377,759
2021-22	Final	2.00	August 12, 2022	September 14, 2029	4,513,620
2022-23	Interim	1.50	November 14, 2022	December 20, 2029	1,255,984
2022-23	Final	5.50	August 10, 2023	September 9, 2030	4,522,203
2023-24	Interim	2.50	February 12, 2024	March 14, 2031	Nil#

* Amount unclaimed as on March 31, 2024

@ Amount transferred to IEPF on April 8, 2024

The Demand drafts issued to shareholders are valid for 3 months and hence are pending for encashment

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

During the year, the Company has credited ₹ 2,777,420/- (Rupees Twenty-Seven Lakhs Seventy-Seven Thousand Four Hundred and Twenty only) on May 6, 2023, and ₹ 427,671.50/- (Rupees Four Lakh Twenty-Seven Thousand Six Hundred and Seventy-One and Fifty Paisa Only) on September 25, 2023, lying in the unpaid/unclaimed dividend account, to IEPF.

Shares transferred to IEPF

In terms of Section 124(6) of the Act read with the Rules, the Company has sent the notice to respective shareholders who have not claimed dividends for 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF during the financial year 2023-24. 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 6,984 equity shares of ₹ 2/- each on May 5, 2023 and 75,930 equity shares of ₹ 2/- each on October 4, 2023 (total 82,914 equity shares) to Demat account of IEPF Authority. The shares transferred were on account of unclaimed dividends for 7 (seven) consecutive years.

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 in given below 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, 2023	57	59,330
No. of shareholders who approached the Company for transfer of shares from suspense account during the year	5	10,340
No. of shareholders to whom shares were transferred from the suspense account during the year	5	10,340
No. of shares transferred to Demat Account of IEPF Authority during the year	Nil	Nil
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	52	48,990

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

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	Unsecured, Redeemable, Non-Convertible Debentures (INE465A08012) Unsecured, Redeemable, Non-Convertible Debentures (INE465A08020) Unsecured, Redeemable, Non-Convertible Debentures (INE465A08038)	BHFG25	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: rahul.vaishya@axistrustee.com

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

8. Market Price Data

The details of the monthly high and low prices and volumes at BSE & NSE during the year 2023-24 are given in Table 17 below:

Table 17: High and Low Prices and Trading Volumes on the BSE and NSE

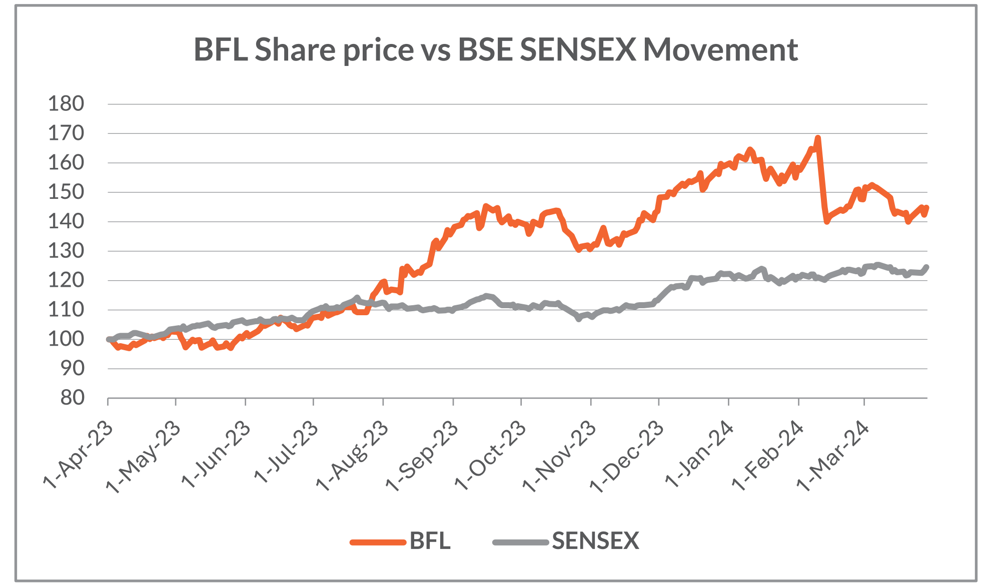
Month	NSE			BSE		
	High (₹)*	Low (₹)*	Volume (Nos.)	High (₹)*	Low (₹)*	Volume (Nos.)
April, 2023	803.80	743.55	18,059,851	803.30	744.00	535,163
May, 2023	808.45	748.40	28,382,784	809.95	748.20	668,622
June, 2023	845.60	785.60	20,777,309	845.05	785.55	525,646
July, 2023	935.95	832.05	22,121,222	935.75	832.85	612,703
August, 2023	1080.95	887.20	39,937,176	1083.90	887.55	1,614,335
September, 2023	1148.05	1055.95	21,886,955	1147.95	1056.50	650,726
October, 2023	1128.80	1002.30	16,765,429	1128.00	1002.70	839,149
November, 2023	1128.35	1015.00	26,705,843	1131.95	1015.60	772,002
December, 2023	1249.90	1124.60	19,249,324	1249.00	1124.60	962,514
January, 2024	1299.00	1180.00	16,766,453	1298.50	1181.00	717,143
February, 2024	1330.00	1063.00	35,295,847	1330.00	1063.40	1,266,639
March, 2024	1211.00	1088.00	22,928,553	1210.30	1087.85	818,439

* Price in ₹ per Equity Share

9. Stock Performance

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

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



10. Share Transfer Agents, Share Transfer and Demat System

The Company has engaged the services of registrar and share transfer agent M/s. 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, 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://linkintime.co.in/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.

11. 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 the 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 Board of Directors of the Company at its Board Meetings.

12. Code of Conduct for Prevention of Insider Trading Practices

The Company has adopted a Comprehensive Code of Conduct for 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 securities of the Company. It also includes practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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

13. Shareholding as on March 31, 2024

Table 18: Pattern of shareholding by ownership as on March 31, 2024

Category of Shareholders	No. of Shareholders	No. of Shares held (₹2/- each)	Shareholding %
Promoters[1]	**27**	**210,690,874**	**45.25**
Public[2]	**189,077**	**254,897,758**	**54.75**
A. Institutions			
Mutual Funds (including Unit Trust of India)	29	92,269,200	19.82
Alternate Investment Funds	16	1,193,142	0.26
Foreign Portfolio Investors	475	76,698,303	16.47
Financial Institutions/Banks	9	671,103	0.14
Insurance Companies	24	24,533,127	5.27
Central Government/State Government(s)/ President of India	1	4,509	0.00
A. Non-Institutions			
Individuals	179,589	36,367,758	7.81
NBFCs registered with RBI	3	4,196	0.00
Others	8,930	23,155,620	4.97
Non-Promoter-Non-Public Shareholder	1	800	0.00
Total	**189,104**	**465,588,632**	**100.00**

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

Table 19: Distribution Schedule as on March 31, 2024

Category (Shares)	Number of shareholders*	Number of shares held of ₹ 2/- each	Shareholding %
1 to 5000	192,140	24,179,563	5.19
5001 to 10000	834	6,068,744	1.30
10001 to 20000	392	5,505,607	1.18
20001 to 30000	134	3,249,737	0.70
30001 to 40000	79	2,700,903	0.58
40001 to 50000	51	2,284,706	0.49
50001 to 100000	125	8,621,141	1.85
100001 and above	303	412,978,231	88.70
Total	**194,058**	**465,588,632**	**100.00**

* Number of Shareholders without clubbing the PAN for Public shareholding

14. Dematerialisation of Shares and liquidity

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2024, dematerialised shares accounted for 97.19% (97.12% as on March 31, 2023) of total equity share capital. The details of dematerialisation are given in Table 20 below.

Table 20: Dematerialisation of Shares as on March 31, 2024

Particulars	Position as on March 31, 2024		Position as on March 31, 2023		Net Change during 2023-24	
	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding
Physical	13,086,724	2.81*	13,419,849	2.88	(333,125)	(0.07)
Demat:						
NSDL	433,544,840	93.12	429,932,057	92.34	3,612,783	0.78
CDSL	18,957,068	4.07	22,236,726	4.78	(3,279,658)	(0.71)
Sub- Total	452,501,980	97.19	452,168,783	97.12	333,197	0.07
Total	**465,588,632**	**100**	**465,588,632**	**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 ten promoter group companies in physical form would not be possible as the matter is sub-judice pursuant to a probate petition being Civil Misc. Application No. 280 of 2024 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.

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

Citibank N.A., the exclusive depository for the Global Depository Receipts ("GDRs") programme, has, on December 13, 2023, issued a Notice of Termination to the holders of GDRs of the Company. According to the notice, the termination of the GDR programme would become effective on January 15, 2024 and the GDRs would thereafter be delisted from the Luxembourg Stock Exchange within the appropriate time frame. As of March 31, 2024, outstanding GDRs represent 800 Equity Shares of the Company's paid-up equity Share Capital and the underlying equity shares will continue to be listed on both BSE and NSE following the termination of the GDR programme. Therefore, there will be no further impact on the Equity Share Capital of the Company.

Table 21: 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 (₹)
2023-24	NIL	NIL
2022-23	NIL	NIL
2021-22	NIL	NIL

16. Plant Locations:

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

Table 22: 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.	Lonikand	Shed - B, Gat No. - 41/1, Tulapur Phata, Nagar Road, Lonikand, Pune – 412216, Maharashtra, India.
6.	Mambattu	Industrial Park, Village-Mambattu, Ph-II, Tada Mandal, SPSR, Nellore District, Andhra Pradesh, India.

17. 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, Link Intime India Pvt. Ltd. at the following address:

Registrar and Transfer Agents (RTA):
Link Intime India Pvt. Ltd.
C101, 247 Park, L B S Marg,
Vikhroli (West) Mumbai 400083
Contact No-022-49186270
Email: rnt.helpdesk@linkintime.co.in

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

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

18. Credit Ratings

The Credit Ratings of the Company for all the credit facilities as on March 31, 2024, are given below in Table 23:

Table 23: Credit Ratings given to the Company.

Sr. No.	Particulars	ICRA Rating	CARE Rating
1.	Long-Term – Fund-Based/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/ assigned for enhanced amount	-
3.	Non-Fund Based Facilities	[ICRA]A1+; reaffirmed	CARE A1+; reaffirmed
4.	Long-Term – Non-Convertible Debentures	[ICRA]AA+ (Stable); reaffirmed	CARE AA+ (Stable); reaffirmed
5.	Issuer Rating	[ICRA]AA+(Stable); reaffirmed	-
6.	Long-Term/Short-Term – Unallocated Limits	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed	-

19. Disclosure of certain types of agreements binding listed entities

The Agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations were intimated to the Stock Exchanges and are available on the Company's website at the link: https://www.bharatforge.com/assets/pdf/notices/2Disclosure_pursuant.pdf

20. 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 attached.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, B. N. Kalyani, Chairman and Managing Director of Bharat Forge Limited hereby declare that all the Board members and senior management personnel have affirmed for the year ended March 31, 2024, 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 8, 2024

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 2023-24 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 2023-24 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/-	Sd/-
KEDAR DIXIT	**B. N. KALYANI**
Chief Financial Officer	Chairman and Managing Director DIN: 00089380

Place: Pune
Date: May 8, 2024

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 2023-24
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**	₹ 931.27 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. Arularasu K, Vice President, Mobile: +91 7391901050/ Telephone: +91 020-67043173/Email ID: Arularasu.K@kalyani.in
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 Standalone basis. There are certain restatements due to change in approach and methodology. The effects and reasons have been included under the respective Principles of this report. Restatements have been done on the following attributes – Percentage of R&D and capital expenditure, Percentage of recycled or reused input material to total material, Disclosure relating to water and waste management. These restatements would enable consistency and comparability of information for the current year and previous year.
14.	**Name of assurance provider**	B S R & Co. LLP
15.	**Type of 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	90.33%

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 • Finished Machined Crankshafts • Front Axles assembly and components • Road Wheel • Transmission Parts • Seal Rings, Clamp, Hub • Automotive Lightweight Component	25910 3099 29301 3798 3548 29301	90.33%

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

\# Operations carried out in Lonikand was carved out from Mundhwa and hence not reported separately. It is planned to be reported separately from FY 2024-25.

* Offices indicated above are for sales and marketing purpose 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)	15
International (No. of Countries)	27

b. What is the contribution of exports as a percentage of total turnover of the entity?

54.95%

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 transcontinental presence spread across 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 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)	2363	2319	98.14 %	44	1.86%
2.	Other than Permanent (E)	336	310	92.26%	26	7.74%
3.	Total employees (D + E)	2699	2629	97.41%	70	2.59%
WORKERS						
1.	Permanent (F)	1415	1414	99.93%	1	0.07%
2.	Other than Permanent (G)	4627	4597	99.35%	30	0.65%
3.	Total Workers (F + G)	6042	6011	99.49%	31	0.51%

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	14	2	14.29%
Key Management Personnel*	12	1	8.33 %

* 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 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.76%	20.93%	6.03%	10.37%	21.95%	10.56%	6.94%	30.23%	7.96%
Permanent Workers	1.19%	0.00%	1.19%	8.16%	0 %	8.16%	14.07%	0%	14.07%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. Name of the holding/subsidiary/associate companies/joint ventures (A)

Please refer to Form AOC-1 annexed to the Financial Statements of Integrated 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:** ₹ 89686.34million

iii. **Net worth:** ₹ 85687.82million

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 complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at 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.	8	1	Pending complaint was received in March 2024 and resolved on April 12, 2024	0	0	
Employees and workers	Yes http://bflapp.bharatforge.com/hronline/Pages/GrievancePolicy.aspx	0	0		0	0	
Customers	Yes https://www.bharatforge.com/contact-us/contact	66	3	Action taken against the pending complaints & are under monitoring by customer	113	3	All complaints are 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 risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/ negative implications)
1	Organisation structure	Risk	Organisation structure not aligned with rapid disruptive business environment and continuous innovation.	• Strategy team to define and track the roadmap for monitoring 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

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/ negative implications)
3	Sustained performance	Risk	Capital deployment into different businesses leading to reduction in ROCE (Return on Capital Employed)	• Monitoring of capital allocation made in long-term business plans • Further investments based on based on technology, return prospects from strategic nature and the commitment from stakeholders	Impacts the brand reputation in the industry thereby leading to financial loss
4	IT data centre & far sight disaster recovery (DR)	Risk	Present IT Systems data architecture may not be able to meet the information requirements of dynamic organisation structure and rapidly changing business requirements.	• Project to address issues with the present system, including harmonisation of master data and critical data points • Revamp the process of generating the financial performance data from ERP System • Harmonize the IT systems across geographies.	Business continuity gets impacted leading to financial loss
5	Merger & 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 plan for integration. • Reviews the transition/integration on a regular basis.	Business continuity gets impacted leading to financial loss
6	Growth & Expansion	Opportunity	Changes in global political and economic environment including trade policies, economic sanctions may have an adverse impact on the Company.	• Evaluates 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 build Leadership Pipeline. • Identified leaders to undergo rigorous development programmes/assignments/Job Rotations	Consistent efforts would lead to positive impact leading to improvement in quality and productivity thereby financial progress.
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 customer	Consistent efforts would lead to positive impact due to improvement in productivity, reduction in defects, etc
9	Data protection	Risk	Challenges in managing the risks from cyber security, data protection, confidentiality as well as disaster recovery whether from external threat 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 on a periodic basis. • 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 supply chain may adversely affect the Company's operations • Availability of raw materials and power • Impact of inflation and cost escalations on 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 global dynamic regulatory environment	• Deploy compliance management system to track the compliance on a real-time basis. • Implement global compliance tool to monitor and report exceptions. • Quarterly compliance certificate from the Management of respective Bharat Forge business unit head and subsidiary companies • Trainings on Legal compliance are organised for the process owners periodically	Impacts the brand reputation in the industry thereby leading to financial loss

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/ negative implications)
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 in 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, sub-optimal productivity, loss of business reputation and other costs.	• Sustenance of existing Occupational Health & 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 & 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 towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocate nine principles referred 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 its 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) {Refer Note 1}	Y	Y	Y	Y	NA	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	Ya	Yb	Yd	Y	Y	Yc/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 27001:2013 (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, targets set by the entity with defined timelines, if any.

ESG Roadmap with Goals & Targets is available in the ESG/Sustainability section on the Company website.

Link- https://www.bharatforge.com/sustainability/ESG_roadmap/#top

Bharat Forge Limited is committed to obtain SA 8000 (Social Accountability) Certification in the coming year.

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 & updates provided to Board's ESG Committee at regular intervals. Some of the significant accomplishments are listed below:

	FY2023	FY 2024	Change (%)	
GHG Emission (Thousand tons CO2e) Scope 1 & 2	281	249	11.39	↓
% Renewable Energy of Total Electricity Consumed	29.25%	39.45%	10.20	↑
Non-Hazardous Waste (Kg per MT of production)	439.75	390.46	11.21	↓
Specific Water consumption (KL/MT Production)	4.27	4.15	2.81	↓
Use of Secondary raw material	34	40	6	↑

- ESG/Sustainability policy, Sustainable procurement policy and Energy Policy developed and published.
- ISO 50001: 2018 Energy Management System certification obtained for 4 out of 5 sites (Mundhwa, Baramati, Satara, Chakan)
- SBTi approval process for near term emission reduction targets is in progress (Approval obtained in Apr.2024)
- Materiality Assessment (Double Materiality) completed once again (Done previously in FY 2020-21)
- Site Assessment of Hazardous waste recyclers carried out
- Existing external audit protocol modified to include Human Rights due diligence

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by the Director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements

"The 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 & 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 issues relative 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.
- 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 the 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 Integrated 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 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 in response 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).

ESG Committee at the board level is chaired by the Joint Managing Director with two Independent Directors as members. This Committee continuously evaluates the Company's social, environmental, governance and economic obligations.

Management level ESG Team led by Head-ESG ensures the engagement with stakeholders on different ESG/sustainability topics on periodical basis and obtains their feedback. This team works on the identified actions and provides an update to the Board ESG Committee on a regular basis.

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 which is chaired by the Joint Managing Director with 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 in the Integrated Annual Report.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by 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 above policies and follow-up action	The ESG Committee Meetings held on May 5, 2023, and February 9, 2024, discussed issues relating to sustainability initiatives taken up in the organisation, ESG Ratings and recycled quantity. As suggested by the committee, the performance of the company against 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 that are relevant to the principles, and in case of any non-compliances, the ESG committee investigates and rectifies the issues.									Annually								

11. Has the entity carried out 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 and 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 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 with 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 that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which 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 respective category covered by the awareness programmes
Board of Directors	4	Insider Trading awareness, ESG/sustainability, CBAM (Carbon Border Adjustment Mechanism) impacts, Recent Amendments to SEBI Regulations	100%
Key Managerial Personnel	11	Related Party Transactions, Aerospace supply chain contracting and risk mitigation, Practical aspects of General Data Protection Regulations (GDPR), Digital Data Protection Laws, Ethics and Code of Conduct, Human Rights, POSH, Health & Safety, Environment, Energy & Emissions, Business Strategy etc.	100%
Employees other than Board of Directors or KMPs	65	Business Ethics and Code of Conduct, Human Rights, POSH, Health & Safety, Environment, Energy & Emissions, ESG, Stress Management, Team Building, Communication Skills, Personal Effectiveness, Business Communication Skills etc.	100%
Workers	198	Business Ethics and Code of Conduct, Human Rights, POSH, Health & Safety, Environment, Energy & Emissions, Stress Management, 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/awards/compounding fees/settlement amounts 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		National Stock Exchange	10,000/-	Delay in 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 has been paid by the Company within the prescribed time.	NA
Penalty/Fine		Office of the Principal Commissioner of Customs, Bangalore	781/-	The order has been issued in respect of penalty for short levy of duty pursuant to Section 114A of the Customs Act, 1962 ("the Act").	
Settlement	-	-	-	-	-
Compounding fee	-	Additional Chief Judicial Magistrate, Pune	505,000/-	The orders have been issued in respect of the Factory Inspector's complaint of an offence under Section 7A (2) (a) of the Factories Act, 1948 ("the Act") punishable under Section 92 of the Act.	-

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agency/judicial institution		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, Bharat Forge has zero tolerance for any form of corruption or bribery and has an Anti-Corruption & Anti Bribery Policy which commands strict actions against anyone caught engaging in such unethical behaviour. The policy applies to all employees of the Company, its subsidiaries, joint ventures, and affiliates at all levels and in all locations around the world. In every sector of action, all employees are required to act with the utmost honesty. All the Company's facilities must adhere to the Anti-Corruption & Anti-Bribery laws and regulations. All agents, suppliers, contractors, and business partners are informed of the Company's zero-tolerance policy for bribery and corruption during the commencement of the Company's business engagement with them. At the time of joining, new employees are given a copy of the policy to read. All existing associates are also informed of the policy. Trainings are conducted throughout the Company as part of the prevention, identification, and detection of anti-corruption issues.

Wherever it operates, the Company maintains the highest standards and does not tolerate bribery or corruption. The policy can be accessed 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 conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable* 366)/costs of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payable	76.09	75.10

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 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1.15%	1.22%
	b. Number of trading houses where purchases are made from	230	193
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	41.50%	47.16%
Concentration of Sales	a. Sales to dealers/distributors 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)	37.53%	51.48%
	b. Sales (sales to related parties/total sales)	47.36%	44.32%
	c. Loans and advances (loans and advances given to related parties/total loans and advances)#	93.47%	91.41%
	d. Investments (investments in related parties/total investments made)#	67.68%	53.28%

Note:

* Trading house is: "Traders (domestic and international) who sell material on "as is" basis i.e. without adding any additional manufacturing process on the product."

** Dealer: A person or a business organisation who is engaged in buying and selling of a particular kind of goods is known as Dealer.

\# Distributor: A person or business organisation who is involved in supplying goods to dealers and other businesses is known as Distributor.

Purchases from trading house = Purchase of raw materials, components, stores, spares, other expenses and capex

Purchases with related parties= Purchase of raw materials, components, stores, spares and other expenses

^ Amount outstanding as on March 31, 2024 / Total amount outstanding as on March 31, 2024

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
3	• Business Ethics & Code of Conduct, • Introduction to Sustainability & Decarbonisation, • Materiality Assessment	76.29%

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.**

   Yes, Bharat Forge has processes in place to avoid/manage conflict of interests involving members of the board and it is as per the Terms of Appointment of Directors to Board. The Company's Code of Conduct states that the Board members and Senior Management of the Company are needed to abstain themselves from discussion, 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 product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
Capex	₹ 253.26 million 4.80% of total Capex	₹ 422.74 million 14.06% of total Capex	Investments made in systems such as heaters, cooling systems, compressors, motors, emission control systems etc. to improve the environmental and social impacts of product and processes are part of this reported CAPEX/R&D investments made by the entity.
R & D	₹ 11.42 million 1.98% of total R & D expenditure	₹ 21.41 million 3.55 % of total R & D expenditure	

* The values of R&D and capital expenditure (capex) investments have been restated due to change in approach.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes. Sustainable procurement policy is 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 reviewed on a regular basis to ensure that the sourced materials are handled responsibly.

   Copy of the sustainable procurement policy can be downloaded from the Company website through the below link: https://www.bharatforge.com/assets/pdf/investor/download/BFL_Sustainable_Procurement_Policy-2023.pdf

   b. **If yes, what percentage of inputs were sourced sustainably?**

   As part of sustainable sourcing, we have ensured to source secondary raw material (recycled steel) to the extent of 40% out of total raw material sourced in FY 2023-24. The company has a conflict minerals policy to avoid use of conflict minerals in the supply chain. The same has been ensured during the sourcing of material.

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 directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle. The Company, however, has systems in place to recycle plastics (including packaging), e-waste, and hazardous waste in a safe manner. 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 Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, it is applicable for us under importer category. Returns submitted to 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 manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:**

   The Company has not conducted any life cycle assessment for the products till date. However, the Company 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 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 the 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 manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or reused input material to total material	
	FY 2023-24	FY 2022-23
Water	33%	34%
Raw material	40%	34%

* The values of water for FY 2022-23 have been restated due to change in approach

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   Since the product is directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Since the product is directly supplied to the OEMs, the Company has limited scope for reclaiming 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	% Of employees covered by										
	Total (A)	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	2319	2319	100%	2319	100%	NA	NA	-	-	-	-
Female	44	44	100%	44	100%	44	100%	NA	NA	44	100%
Total	**2363**	**2363**	**100%**	**2363**	**100%**	**44**	**100%**	**-**	**-**	**44**	**100%**
OTHER THAN PERMANENT EMPLOYEES											
Male	310	310	100%	310	100%	NA	NA	-	-	-	-
Female	26	26	100%	26	100%	26	100%	NA	NA	26	100%
Total	**336**	**336**	**100%**	**336**	**100%**	**26**	**100%**	**-**	**-**	**26**	**100%**

Note - The company does not provide paternity benefits and Day care facilities to male employees and workers.

b. Details of measures for the well-being of workers

Category	% Of employees covered by										
	Total (A)	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	1414	1414	100%	1414	100%	NA	NA	-	-	-	-
Female	1	1	100%	1	100%	1	100%	NA	NA	1	100%
Total	**1415**	**1415**	**100%**	**1415**	**100%**	**1**	**100%**	**-**	**-**	**1**	**100%**
OTHER THAN PERMANENT WORKERS											
Male	4597	4597	100%	4597	100%	NA	NA	-	-	-	-
Female	30	30	100%	30	100%	30	100%	NA	NA	-	-
Total	**4627**	**4627**	**100%**	**4627**	**100%**	**30**	**100%**	**-**	**-**	**-**	**-**

Note - The company does not provide paternity benefits and Day care facilities to 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 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.16%	0.17%

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 2023-24			FY 2022-23		
	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 include 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 any steps are being taken by the entity 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/pdf/HR_Policies/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	100%	-	-	-
Total	**100%**	**-**	**-**	**-**

Note: The Company does not provide paternity benefits to male employees and workers.

No female in worker category has taken maternity leave.

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 to give its employees a way to voice their concerns arising from employment. The Policy ensures that such grievances are handled quickly, in a fair and impartial manner by a 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 policy's grievance redressal system, the first step in resolving any problem is to communicate openly. An employee should seek informal resolution of any concern with his or her immediate supervisor first. 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 2023-24			FY 2022-23		
	Total employees/ workers in the respective category (A)	No of Employees/ workers in the respective category who are part of 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 association/union (D)	% D/C
EMPLOYEES						
Total Permanent Employees	2363	0	0	2478	0	0
Male	2319	0	0	2436	0	0
Female	44	0	0	42	0	0
WORKERS						
Total Permanent Workers	1415	1415	100	1435	1435	100
Male	1414	1414	100	1434	1434	100
Female	1	1	100	1	1	100

8. Details of training given to employees & workers:

Bharat Forge provided training on health & safety, wellness measures, behavioural, on-job, soft skill training, data protection, policies, human rights etc. training to all employees including workers. A total of 25.98 hours of training per employee has been achieved in this fiscal year (FY 2023-24).

Category	FY 2023-24					FY 2022-23				
	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	2629	2629	100%	2629	100%	2777	1750	63%	1430	51%
Female	70	70	100%	70	100%	53	40	75%	30	57%
Total	**2699**	**2699**	**100%**	**2699**	**100%**	**2830**	**1790**	**63%**	**1460**	**52%**
WORKERS										
Male	1414	1414	100%	1414	100%	1434	700	49%	296	21%
Female	1	1	100%	1	100%	1	1	100%	0	0%
Total	**1415**	**1415**	**100%**	**1415**	**100%**	**1435**	**701**	**49%**	**296**	**21%**

Note: Employees –No of employees includes other than permanent employees also.

The above-mentioned disclosure excludes numbers relating to other than permanent workers. The trainings for other than permanent workers are managed by respective value chain partners

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
PERMANENT EMPLOYEES						
Male	2319	2319	100	2436	2436	100
Female	44	44	100	42	42	100
Total	**2363**	**2363**	**100**	**2478**	**2478**	**100**
PERMANENT WORKERS						
Male	1414	1414	100	1434	1434	100
Female	1	1	100	1	1	100
Total	**1415**	**1415**	**100**	**1435**	**1435**	**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 respective value chain partners.

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?**

Yes. We have implemented the ISO 45001:2018 Occupational Health & Safety Management system in all our manufacturing sites and got it certified by M/s DQS. All the activities of the manufacturing operations are covered as part of this management system. Daily safety walks, regular safety training, periodical safety audits, implementation of 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?**

Hazard Identification and Risk Assessment (HIRA) process is adopted by us to identify the hazards and assess the risks for routine/non-routine activities. Trainings are conducted on the process of carrying out HIRA. In addition, safety walkthroughs/audits are being carried out regularly by plant leadership, line managers, supervisors, safety coordinators and safety officers. HIRA of all activities are 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 for 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 work-related hazards and to remove themselves from such risks.**
Yes. We have defined a process to report work-related hazards as part of ISO 45001:2018 Occupational Health & Safety Management System. In addition, employees are encouraged to utilise the existing safety observations reporting system, near-miss reporting process, safety committee meetings, toolbox talks and safety suggestion schemes to report the hazards. Employees are trained/re-trained on hazard identification and reporting at periodical intervals. Also, in addition to the existing safety control systems, all the 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 the Company employees are offered a variety of health and wellness benefits, including medical insurance and accident insurance for the employee and his immediate family, which provides financial assistance in the event of an accident or serious illness. In addition, Bharat Forge offers coverage for dependent parents, periodic health check-ups, wellness programmes, as well as nutritious and subsidised food.

11. Details of safety-related incidents

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) *	Employees	0.45	0.97
	Workers	1.14	0.50
Total recordable work-related injuries	Employees	3	7
	Workers	17	6
No. of fatalities (safety incident)	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	3

* LTIFR calculation is considered as No. of employees in the month*26 working days * 8hrs of work each day

** Contract workers (other than permanent workers) are included in workers category.

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 a safety committee, training, awareness promotions, rewards and recognitions 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), auto diallers for fire protection systems, Energy isolation mechanism (LOTO) are some of the controls through technology that have been made available in the workplace.

Qualified safety officers are deployed as dedicated health and safety coordinators on the shop floor. They ensure the implementation of safe work practices at their respective shop. Regular safety walkthroughs are being taken up 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 adopted strictly for any changes/new additions in the manufacturing systems. Hazard identification and risk assessment is done as part of change management to identify and address the hazards/risks.

Training and authorisation for the workforce is ensured strictly. Safety trainings are provided on specific topics/related hazards before starting any non-routine activities. Emergency preparedness is ensured by a structured on-site emergency response plan. Periodical mock drills are conducted to check the adequacy and readiness on this response plan. All the incidents, near-miss and observations are investigated thoroughly to deploy necessary mitigation measures, on a timely basis.

13. Number of complaints on the following made by employees and workers:

No complaints were made by any employee or worker on 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 & 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.

A few untoward incidents in this fiscal year prompted us to review and strengthen our existing safety practices. As an outcome of this review, 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 the material handling operations (forklifts used on the shop floor). Re-training and authorisation of the workforce was taken up for all high-risk operations. Additional surveillance systems were deployed on the shop floor to spot and rectify all kinds of unsafe acts/conditions. Machine guarding system was strengthened with additional controls such as optical sensors and limit switches, wherever required. The design of safety tools used in the manufacturing operations was reviewed and enhanced. Visual representation was improved in the operating procedures that are displayed on the shop floor. With all these additional controls in place, we ensured the risks were maintained at the ALARP level (as low as reasonably practicable) and re-affirmed our commitment to providing a safe working environment to 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 offers assistance in the event of a tragic occurrence, such as death, and has a Death Relief Policy in place for its employees.

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 in order to support business responsibility principles and 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 that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	2	3	0	1

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 moulding of the future. Employees who 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	76.29 %
Business Ethics & Code of conduct	
Health & Safety Practices	
Working conditions	
Environment	
Energy & 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 mandated 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 guide them in the implementation.

PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS 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 & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspapers, Pamphlets, Advertisements, 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 & reports, online portals, employee surveys, Idea management, internal media • One-on-one interactions • Employee involvement in CSR activities,	Periodically Half Yearly Quarterly	Information about important updates regarding the Company. This helps the employees expand their knowledge in the industry. Getting employee feedback and resolving their issues.
Investors	No	• Integrated Annual Report, sustainability report, press releases • Investor presentations • Corporate website • Quarterly & Annual results • ESG calls	Annually Annually Periodically Quarterly Quarterly	Investors prefer to invest in the organisations that are socially and environmentally responsible.
Customers	No	• Interviews, personal visits, publications, mass media & digital communications, plant visits, • Support programmes, social media, • Conferences and events	Weekly and Quarterly Annually Monthly	Customers prefer to connect with the organisation that is socially & environmentally responsible
Suppliers & Service providers	No	• Email Communication • Supplier & vendor meets • Policies • Official communication letters • Supplier sustainability assessments	Periodically Periodically Periodically Periodically Annually	Supply Chain Management Practice
Business Partners	No	• Dialogue with sales organisations and coordinating units of importers	Periodically	Provide service to present business partners while increasing the potential for future growth.
Government and Regulatory Bodies	No	• Official communication channels, • Regulatory audits/ inspections • Environmental compliance	Monthly Annually Annually	Communications with government bodies enable the Company to understand the specific needs of particular geographic location for increased effectiveness in operations
Communities	Need assessment, field visits, Focused group discussions had been conducted at community level based on which stakeholder groups and locations got 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 about 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, allowing it to better serve its stakeholders.

   Management level ESG Team led by Head-ESG ensures the engagement with stakeholders on different ESG/Sustainability Topics on a periodical basis and obtains their feedback. This team works on the identified actions and provides an update to the Board ESG Committee on a regular basis.

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 always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to the current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and reissue policies as needed. For instance, inputs from customers are considered while 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 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
EMPLOYEES						
Permanent Employees	2363	1908	80.74	2478	1148	46.33
Other than permanent	336	336	100	352	352	100
Total	2699	2244	83.14	2830	1500	53
WORKERS						
Permanent Workers	1415	411	29	1435	400	28

* Human Rights topic is considered as part of the other trainings for "other than permanent workers" category and hence, not stated in the above table.

2. **Details of minimum wages paid to employees**

Category	FY 2023-24					FY 2022-23				
	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	2363	0	0	2363	100	2478	0	0	2478	100
Male	2319	0	0	2319	100	2436	0	0	2436	100
Female	44	0	0	44	100	42	0	0	42	100
Other than permanent	336	0	0	336	100	352	0	0	352	100
Male	310	0	0	310	100	341	0	0	341	100
Female	26	0	0	26	100	11	0	0	11	100
WORKERS										
Permanent	1415	0	0	1415	100	1435	0	0	1435	100
Male	1414	0	0	1414	100	1434	0	0	1434	100
Female	1	0	0	1	100	1	0	0	1	100
Other than permanent	4627	0	0	4627	100	4223	0	0	4223	100
Male	4597	0	0	4597	100	4223	0	0	4223	100
Female	30	0	0	30	100	0	0	0	0	0

3. **Details of remuneration/salary/wages in the following format:**

	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)	6	497.02	-	-
Key Managerial Personnel (other than BoD)*	11	110.13	1	46.37
Employees other than BoD and KMP	2517	9.53	50	9.29
Workers	1417	9.52	1	8.88

Note:* Key Management 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 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	1.19%	1.14%

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 the employees can address their complaints or grievances to the Human Resources department or to the 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 the 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, and 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 the violations reported and ensures that the same is 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 2023-24			FY 2022-23		
	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	1	1	Redressal is in progress	4	4	Resolved
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 2023-24	FY 2022-23
Total complaints reported under sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH))	1	4
Complaints on POSH as a % of female employees/workers	0.73%	7.41%
Complaints on POSH upheld	1 (under process)	4 (resolved)

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

While dealing with the complaints as a part of grievance redressal mechanism every care is taken to conduct the enquiry in a peaceful manner for avoiding 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 to 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 of anyone participating in or conducting grievance proceedings is not at all tolerated. 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 the Bharat Forge Supplier Code of Conduct. Suppliers are urged to respect internationally recognised human rights standards and 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 the 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 annual leave and holidays as per the applicable laws.

3. **Work Environment and Equal Opportunities/Anti-Discrimination:** Suppliers are obliged to refrain from any discrimination and ensure equal employment. Supplier shall not discriminate the 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 offices by external auditors who have audited the statutory compliances in relation to the indicators mentioned below. The assessments are done 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 be complying with the human rights requirements and as a result no corrective actions were required on 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 carried out to assess our value chain partners. Thus, with the human rights requirements being included in the checklists the human rights due diligence is ensured in our facilities as well as in the facilities of our value chain partners.

3. **Are the premises/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	76.29%
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 till 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 2023-24	FY 2022-23
From Renewable sources			
Total electricity consumption (A)	GJ	5,52,233	3,81,214
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	**5,52,233**	**3,81,214**
From Non-Renewable sources			
Total electricity consumption (D)	GJ	8,47,582	9,22,150
Total fuel consumption (E)	GJ	13,17,478	12,51,303
Energy consumption through other sources (F)	NA	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	**21,65,060**	**21,73,453**
Total energy consumed (A+B+C+D+E+F)	GJ	**27,17,293**	**25,54,667**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	GJ/₹ millions	30.30	33.74
Energy intensity per rupee of turnover adjusted for Purchasing power parity (PPP) (Total energy consumption/turnover in USD)	GJ/million USD	693.21	771.86
Energy intensity in terms of Physical output	GJ/MT	9.98	10.36

* The value for purchasing power parity has been referred from the World Bank and 2022 value has been considered for the calculations.

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 Assurance by B S R & Co. 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 2023-24	FY 2022-23
Water Withdrawal by the Source (in kilolitres)			
(i) Surface Water	kilolitres	6,39,830	5,72,572
(ii) Ground Water	kilolitres	1,95,098	1,84,317
(iii) Third Party Water	kilolitres	2,93,751	2,95,716
(iv) Sea Water/Desalinated Water	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv)	kilolitres	**11,28,679**	**10,52,605**
Total volume of water consumption (in kilolitres)	kilolitres	**11,28,679**	**10,52,605**

Parameter	Unit	FY 2023-24	FY 2022-23
Recycled Water (ETP+ STP)	kilolitres	3,74,332	3,63,193
Water intensity per rupee of turnover (Total Water consumption/Revenue from operations)	(KL/₹ millions)	12.58	13.90
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ** (Total Water consumption/Revenue from operations adjusted for PPP)	(KL/million USD)	287.94	318.03
Water intensity in terms of physical output	(KL/MT)	4.15	4.27

* The values of water withdrawal by source for FY 2022-23 has been restated. The municipal water and private supplied water has been classified as 'third party water' while in previous year, it was reported as 'surface water'. The values of water consumption for FY 2022-23 have been restated due to change in approach.

** The value for purchasing power parity has been referred from the World Bank and 2022 value has been considered for the calculations.

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 Assurance by B S R & Co. LLP.

4. **Provide the following details related to water discharged:**
The effluent generated is treated & reused in the plant, hence there is no effluent or water discharged in any of our facilities in the current & previous financial year.

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 Assurance by B S R & Co. 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 formulated the waste management systems for handling wastewater 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 as well as treated water. ZLD is an approach to water treatment where all water is recovered, and contaminants are reduced to solid waste. While many water treatment processes attempt to maximise the recovery of freshwater and minimise waste, ZLD is the most demanding target since the cost and challenges of recovery increase as the wastewater gets 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 technology that can treat wastewater as the contaminants are concentrated. Since Bharat Forge has installed an ETP & STP plant to treat its generated wastewater, the treated wastewater is recycled for use to reduce the consumption of freshwater.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	Mg/Nm3	16.35	11.98
SOx	mg/Nm3	11.48	9.28
Particulate matter (PM) (Less than 2.5 Micron)	mg/Nm3	22.08	20.11
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 done the evaluation on the data reported under this indicator.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	82,745	79,276
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,67,163	2,02,362
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total scope 1 and scope 2 GHG emissions/revenue from operations)	tCO_2e	2,49,908	2,81,668
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted	tCO_2e/₹ millions	2.79	3.72
For Purchasing Power Parity (PPP) * (Total scope 1 and scope 2 GHG emissions/revenue from operations adjusted for PPP)	tCO_2e/million USD	63.75	85.10
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	tCO_2e/MT	0.92	1.14

Note: GHG emission calculations are based on World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards)"

* The value for purchasing power parity has been referred from the World Bank and 2022 value has been considered for the calculations.

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 Assurance by B S R & Co. LLP

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**
Bharat Forge is constantly improving and innovating ways to reduce the energy consumption and resulting emissions in the Company's manufacturing processes. The Company has taken the following projects to reduce Green House Gas emissions in FY 2023-24:

I. **Projects taken for utilising alternative source of energy:**
   a. The Company has utilised 1,18,234 MWh of solar electricity and 35,165 MWh of electricity from wind-based turbines to reduce the GHG emissions. It is part of the Company's Decarbonisation plan, which includes the improvement of energy mix towards the adoption of renewable energy and the replacement of fossil dense fuels with those having comparatively lesser emissions.
   b. Replacement of Oils (Furnace oil, LDO, Biodiesel & SKO) with cleaner fuels (PNG & LPG) in furnace operations.

Initiatives mentioned in points a and b above contributed to a reduction in oil consumption to the extent of 2,015 KL, & reduction of emissions by 1,09,075 tCO2e.

II. **Projects taken for conservation of energy: (Energy efficiency)**
Process Equipment
   a. Installation of energy-efficient induction billet heater

b. Replacement of fuel fired furnace with induction billet heater

c. Replacement of inefficient motors in the induction billet heater operation

d. Reduction of idle time in the exhaust blower operations

Compressors

e. Replacement of inefficient compressors

f. Replacement of air-cooled compressors with water-cooled compressors

g. Modification in nozzle design to reduce the air pressure requirement

Cooling Tower and Chiller

h. Replacement of open loop cooling towers with closed loop cooling towers

i. VFD installation in the cooling tower operations

j. Energy-efficient pumps for coolant circulation in cooling towers/chillers operation

k. Interlocking of cooling tower pump with the press operations

l. Reduction of idle time of coolant pumps used in the machine operations

Lighting and Automatic Power Factor Correction Panel

m. Replacement of metal halide lamps with energy-efficient LEDs

n. Installation of automatic Power factor correction panel

Energy efficiency projects mentioned above contributed to a reduction of electricity consumption by 5,630 MWh/ Annum & reduction of emissions by 3,997 tCO2e.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste Generated in Metric Tonnes		
Plastic waste (A)	191.43	145
E-waste (B)	1.74	8.57
Bio-medical waste (C)	0.0085	0.013
Construction and demolition waste (D)	0	0
Battery waste (E)	0.23	5.74
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)		
G1. (Cotton Waste (Qty.) kg Chemical Sludge from ETP, Paint Sludge/ Residues, Spent Bath Sludge)	253.78	166
G2. Used/Spent Oil (Liquid)-HW	282.78	191.42
G3. Discarded Containers/Barrels (Solid)-HW	185.43	141.2
G4. Waste & Residues Containing Oil (Liquid)-HW	454.04	341.702
G5. Asbestos Sheet	1.93	0
Other Non-hazardous waste generated (H)*		
H1. MS Scrap/Scale/Bur/Flash (Solid)	1,04,185.81	1,00,246.72
H2. Aluminium Scrap	491.61	7376.48
H3. Titanium Scrap	6.03	25.68
H4. Paper & Corrugated boxes	256.60	123.61
H5. Rubber	53.06	48.45
H6. Wood	892.30	826.35
Food Waste Generated (I)	221.735	211.47
Total (A+B + C + D + E + F + G + H+ I)	**1,07,478.505**	**1,09,858.40**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (MT/₹ millions)	1.20	1.45
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) (MT/ million USD)	27.42	33.19
Waste intensity in terms of physical output (MT/MT)	0.39	0.45
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	107222.79	109692.39
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**107222.79**	**109692.39**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	253.788	166.013
(ii) Landfilling	1.93 **	0
(iii) Other disposal operations	-	-
Total	**255.718**	**166.013**

Note:

* The values for FY 2022-23 have been restated with the inclusion of new categories of non-hazardous waste in the above disclosure.

** In current fiscal year, there is landfill waste due to replacement of old asbestos roof in 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 Assurance by B S R & Co. LLP

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce 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 waste management principles into the Company 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 recycling waste oil via a change in disposal pathway, which reduces hazardous waste load and recycling ETP sludge, which reduces disposal to landfills.

In order to better understand the Company's waste profile, its sites mapped their 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 wastes are handled as per the requirements and a waste registry is maintained. They are transported to the relevant authorised agencies for proper handling. Bharat Forge complies with all MPCB rules and regulations on how these products must be properly stored, labelled, handled, shipped, or recycled to limit exposure potential 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 into its facilities only what is needed. The Company has found solutions requiring little, if any, investment, ensuring that its progress makes business as well as environmental sense. Some of the shared successes includes the use of recycled cardboard boxes as filler for packing materials, biodegradable plastics for packaging, creating re-usable 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 the areas of its activities, the Company is dedicated to regulatory environmental 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 is in compliance 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 associated with 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 & its intensity, in the following format:**

Scope-3 emissions are considered in Bharat Forge emission calculations presently. Following are the calculated emission values:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5,64,161	5,64,947
Total Scope 3 emissions per rupee of turnover	Tonnes of CO2e per rupee of turnover	6.29	7.46
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Tonnes of CO2e per Ton of Production	2.07	2.29

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, Deutsch Quality Systems (India) Private Limited has provided the assurance on the data provided in the above indicator.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & 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 environmental 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 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	Energy Meters connected to Central Energy Monitoring System	System will trigger automatic notification for excess energy consumption without manual intervention

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 in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption.

The policy is available in - https://www.bharatforge.com/assets/pdf/investor/download/risk-management-policy

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 2023-24, the Company screened all of its critical suppliers (35 in total) using social and environmental criteria and found no negative social or environmental impacts on its value chain.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Bharat Forge has assessed 76.29 % of its value chain partners for environmental impacts and found no negative social or environmental impacts on its value chain.

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 19 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) 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.	Automotive Components Manufacturers' Association [ACMA]	National
3.	Society of Indian Defence Manufacturers	National
4.	Association of Indian Forging Industry [AIFI]	National

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
5.	Indo German Chamber of Commerce [IGCC]	National
6.	Swedish Chamber of Commerce in India [SCCI]	National
7.	Indo American Chamber of Commerce [IACC]	National
8.	Indo French Chamber of Commerce in India [IFCCI]	National
9.	Federation of Indian Chambers of Commerce & Industry [FICCI]	National
10.	Mahratta Chamber of Commerce Industry & Agriculture [MCCIA]	State

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 (2023-24)

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**
   The Company directly or through trade bodies and other associations puts forth a number of suggestions with respect to 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 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 to monitor the CSR projects regularly which continuously interacts with the concerned communities in the areas of operation. The grievances as and when arise are addressed on a timely basis & resolved by the CSR Team

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	2.86%	5.94%
Directly from within India	91.73%	91.98%

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 2023-24	FY 2022-23
Rural	2.56%	2.46%
Semi-urban	1.52%	1.72%
Urban	20.35%	20.96%
Metropolitan	75.57%	74.86%

Note: As per 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 impacts 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)
	-	-	-

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 (uniform) 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 (uniform) by Bharat Forge are provided by Self Help Groups from community centres having approximate value of ₹ 22,20,457 (38.78 % of total Personal Protective Equipments (PPEs) procurement).

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 usage of traditional knowledge is involved.**
   Not Applicable

6. Details of beneficiaries of CSR projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% Of beneficiaries from vulnerable and marginalised groups
1.	Village Development Project in more than 100 villages in Maharashtra State.	2,30,000+ people from more than 100 villages	>90
2.	Education Project in collaboration with Pratham Pune Education Foundation	5,000+ children from Pune	100
3.	Education Project in collaboration with Jnana Prabodhini	380+ children from 5 different communities	100
4	Education Project in collaboration with Vidyarthi Sahayak Samiti	45 girl students pursuing engineering or diploma	100
5	Women Empowerment - Community centres, vocational training and income generation activities	900 women from all community centres located in Pune	>75
6	Skilling through CoE (Centre of excellence) at Vidya Pratishthan, Baramati	184 students pursuing Engineering	>75
7	Skill Development Project - Working with (ITIs)	1454 Students pursuing diploma	>75
8	Waste management	1090 families	>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 customer satisfaction are among the most important factors 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 customer portal on a monthly basis and compiles the "Voice of Customer Report" to identify the areas of concern reported. 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 estimation of environmental and social parameters relevant to the product as a percentage of total turnover is not being done.

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	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 FY2023-24.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link to the policy.**

Yes, Bharat Forge follows the ISO 27001:2013 framework and is certified for IT services, design and the Defence department. 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 which provides support, management direction and documents on 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, which will address the aspects of security. The approach being adopted is based upon the International Standard ISO/IEC 27001: 2013 -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; cyber security and data privacy of customers; re-occurrence 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 customers** - 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 the web link, if available).**

Bharat Forge's website has information about all the products it offers. The link for 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 products of the Company are directly supplied to the OEMs who assemble and send the end product to the general customer, Bharat Forge has limited scope for informing and educating the end user about the safe and responsible usage of its products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Since the products of the Company are directly supplied to the OEMs who assemble and send the end product to the general customer, Bharat Forge has limited scope for informing 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 details in brief. 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 and as per OEM requirements, the Company displays product requirements on the packaging itself. This is consistent with applicable laws. Typical information displayed on the products includes details of the manufacturer, heat code, process no., dispatch no., part no. etc.

   Yes. Customer response and customer satisfaction are among the most important factors for Bharat Forge. The Company engages with its customers at various platforms to understand their expectations.

   The Company obtains customer feedback directly or by referring to customer portal on a monthly basis and compiles the "Voice of Customer Report" to identify the areas of concern reported. Accordingly, corrective measures are planned and implemented. Customer satisfaction trends are compiled, monitored and reviewed by top management at defined intervals for getting the directives for improvement.

INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT

To the Directors of Bharat Forge Limited

Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) Core attributes of Bharat Forge Limited (the 'Company') for the period April 1, 2023 to March 31, 2024. The BRSR Core attributes are included in the Business Responsibility and Sustainability Reporting of the Company for the period April 1, 2023 to March 31, 2024.

Opinion

We have performed a reasonable assurance engagement on whether the Company's sustainability disclosures in the BRSR Core attributes (refer to Annexure 1) for the period April 1, 2023 to March 31, 2024 have been prepared in accordance with the reporting criteria (refer table below).

BRSR Core attributes subject to assurance	Period subject to assurance	Reporting criteria
BRSR Core (refer Annexure 1)	April 1, 2023 to March 31, 2024	- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) - Guidance note for BRSR format issued by SEBI

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental and social practitioners.

In our opinion, the Company's BRSR Core attributes for the period April 1, 2023 to March 31, 2024, subject to reasonable assurance are prepared, in all material respects, in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) and basis of preparation set out in Question 13 of the BRSR.

Basis for opinion

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We are required to comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.

Our firm applies Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by the ICAI. This standard requires the firm to maintain a comprehensive system of quality control including documented policies and 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.

Other information

Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the BRSR Core attributes and assurance report thereon).

Our reasonable assurance opinion on the BRSR Core attributes does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our assurance report of the BRSR Core attributes, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the BRSR Core attributes or our knowledge obtained in the assurance or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The BRSR for the period April 1, 2022 to March 31, 2023 was not subject to limited/reasonable assurance engagement and, accordingly, we do not express an opinion/conclusion, or provide any assurance on such information.

Our opinion/conclusion is not modified with respect to this matter.

Intended use or purpose

The BRSR Core attributes and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR Core attributes and the reporting criteria and who have read the information in the BRSR Core attributes with reasonable diligence and understand that the BRSR Core attributes are prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Responsibilities for the BRSR Core attributes

The management of the Company acknowledge and understand their responsibility for:

- designing, implementing and maintaining internal controls relevant to the preparation of the BRSR Core attributes that is free from material misstatement, whether due to fraud or error;
- selecting or establishing suitable criteria for preparing the BRSR Core attributes, taking into account applicable laws and regulations, if any, related to reporting on the BRSR Core attributes, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the BRSR Core attributes in accordance with the reporting criteria;
- disclosure of the applicable criteria used for preparation of the BRSR Core attributes in the relevant report/statement;
- preparing/properly calculating the BRSR Core attributes in accordance with the reporting criteria; and
- 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;
- responsible for providing the details of the management personnel who takes ownership of the BRSR Core attributes disclosed in the report;
- ensuring compliance with law, regulation or applicable contracts;
- making judgments and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information subject to assurance in accordance with the reporting criteria;
- preventing and detecting fraud;
- selecting the content of the BRSR Core attributes, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the BRSR Core attributes;
- supervision of other staff involved in the preparation of the BRSR Core attributes

Those charged with governance are responsible for overseeing the reporting process for the Company's BRSR Core attributes.

Inherent limitations

The preparation of the company's BRSR information requires the management to establish or interpret the 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 on the sustainability disclosures in the BRSR Core attributes are free 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 Directors of Bharat Forge Limited.

Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the "Scope of Assurance".
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the BRSR Core attributes.
- Data and information outside the defined reporting period i.e., April 1, 2023 to March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Summary of the work we performed as the basis for our opinion

We exercised professional judgement and maintained professional skepticism throughout the engagement. 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 subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the information subject to reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information subject to 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 criteria used by the company in preparing the reasonable assurance information;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the company; and
- evaluated the overall presentation of the information subject to reasonable assurance.

For B S R & Co. LLP
Chartered Accountants
Firm registration No. 101248W/W-100022

Shiraz Vastani
Partner
Membership No: 103334
ICAI UDIN: 24103334BKGEOZ6277

Date: June 28, 2024

Place: Pune

ANNEXURE - 1

BRSR CORE ATTRIBUTES - REASONABLE ASSURANCE FOR FY 2023-24

Sr No	BRSR indicator	Description of indicator
1	Section C – Principle 1 – E8	Number of days of accounts payable
2	Section C – Principle 1 – E9	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties
3	Section C – Principle 3 – E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
4	Section C – Principle 3 – E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
5	Section C – Principle 5 – E3(b)	Gross wages paid to females as % of wages paid
6	Section C – Principle 5 – E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld
7	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples) and its intensity
8	Section C – Principle 6 – E3	Total volume of water withdrawal by source and water consumption in Kilolitres and its intensity
9	Section C – Principle 6 – E4	Water discharge by destination and level of treatment (in kilolitres)
10	Section C – Principle 6 – E7	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity
11	Section C – Principle 6 – E9	Details related to waste generated by category, waste recovered through recycling, re-using or other recovery operations, waste disposed by nature of disposal method and its intensity
12	Section C – Principle 8 – E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
13	Section C – Principle 8 – E5	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
14	Section C – Principle 9 – E7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events

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 2024, 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 2024, 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 Products
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. • On a sample basis, we tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred. • 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 related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items.

Independent Auditor's Report (Contd.)

Assessment of impairment of investments in subsidiaries, associates and joint ventures
See Note 2.2 (r) 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, associates and joint ventures as at 31 March 2024. The Company periodically assesses if there are any impairment indicators for recognising impairment loss in respect of these investments. 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, associates and joint ventures. • 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/comparable companies or transactions including discount rates, expected growth rates, terminal growth rates and applicable multiples. • 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 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 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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) 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 2024 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 09 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 delays in depositing ₹ 0.13 million ranging from 4 years to 11 years which is unpaid as at 31 March 2024.

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 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 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 standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year 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 included test checks, except for the instances mentioned below, 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:

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.

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

Independent Auditor's Report (Contd.)

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 (edit log) 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.

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:24103334BKGEOK7885

Place: Pune
Date: 08 May 2024

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 2024

(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.

(i) (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 were 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 lease 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 is 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 inward 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 made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership 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 provided advances in the nature of loans, or stood guarantee to any other entity as below:

In ₹ Million

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries*	3,615.82	-	1,027.68	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	104.49	-
Balance outstanding as at balance sheet date				
Subsidiaries*	8,012.05	-	1,379.49	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	95.71	-

*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, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided 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 loans of ₹ 89.86 Million to Bharat Forge Global Holding GmbH and ₹ 174.17 Million to BF Elbit Advanced Systems Private Limited are 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

In ₹ Million

Name of the entity	Amount	Due Date	Extent of delay (in days)	Remarks, if any
BF Elbit Advanced Systems Private Limited	14.74	31-Mar-24	Not Applicable	Amount of such interest has been converted into loan as on 31 March 2024 net of withholding taxes.

Independent Auditor's Report (Contd.)

(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, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(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 or advances in the nature of loans to its Promoters and 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/advances in nature of loan			
- Repayable on demand (A)	264.03	-	264.03
- Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	**264.03**	**-**	**264.03**
Percentage of loans/advances in nature of loan to the total loans	19.14%	-	19.14%

(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 amounts deducted/accrued in the books of account in respect of 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 generally 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 2024 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	548.03	270.20	FY 2004-05 to 2023-24	High Court
Customs Act, 1962	Demand received for wrong availment of duty drawback	52.97	1.00	FY 2002-03	High Court, Mumbai
Customs Act, 1962	Demand received for wrong availment of duty drawback	135.12	121.35	FY 2011-12 & 2012-13	Principal Commissioner (RA) and Ex-Officio Additional Secretary to the Government of India
Central Excise Act, 1944	Duty demand on subsidy amount received under PSI scheme	84.21	-	FY 2004-05, 2005-06, 2006-07, 2009-10, 2010-11, 2011-12 & 2012-13	Commissioner, Central Excise, Pune III Commissionerate
Central Excise Act, 1944	Short reversal of CENVAT credit taken on the Inputs written off	41.47	5.50	FY 1998 to 2006, FY 2009-10 to 2016-17	CESTAT, 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	2.76	-	FY 2004-05 & 2005-06	Additional Commissioner of Central Excise, Pune III Commissionerate
Central Excise Act, 1944	Non payment of service tax under reverse charge mechanism on Ocean Freight services availed	0.95	-	FY 2017	The Dy Commissioner of Central GST.
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
Income Tax Act, 1961	Non deduction of withholding taxes u/s 195	54.92	54.92	FY 2013-14	High Court

Independent Auditor's Report (Contd.)

(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.

(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 balance sheet 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 or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on 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 course of the audit.

(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.

Independent Auditor's Report (Contd.)

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(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:24103334BKGEOK7885

Place: Pune
Date: 08 May 2024

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 2024

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 2024 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 2024, 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.

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

Independent Auditor's Report (Contd.)

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:24103334BKGEOK7885

Place: Pune
Date: 08 May 2024

Balance Sheet

as at March 31, 2024

In ₹ Million

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	28,453.43	28,996.01
(b) Capital work-in-progress	3	3,760.42	3,032.30
(c) Investment property	4	2.89	2.89
(d) Intangible assets	5	46.55	52.63
(e) Right-of-use assets	35	3,064.09	3,328.35
(f) Financial assets			
(i) Investment in subsidiaries, joint ventures and associates	6	28,668.90	21,161.16
(ii) Other investments	7	5,892.26	14,102.82
(iii) Loans	8	438.34	1,316.98
(iv) Trade receivables	12	82.19	113.25
(v) Derivative instruments	9	696.82	646.49
(vi) Other financial assets	10	371.77	357.21
(g) Income tax assets (net)		254.57	705.42
(h) Other assets	14	4,115.55	4,265.99
		75,847.78	**78,081.50**
II. Current assets			
(a) Inventories	11	13,294.85	12,638.43
(b) Financial assets			
(i) Investments	7	10,089.79	7,526.97
(ii) Trade receivables	12	36,181.75	32,433.66
(iii) Cash and cash equivalent	13	10,412.87	3,977.16
(iv) Other bank balances	13	126.29	46.56
(v) Loans	8	1,036.86	225.78
(vi) Derivative instruments	9	1,139.55	1,325.53
(vii) Other financial assets	10	332.10	2,342.21
(c) Other assets	14	3,414.65	3,343.22
		76,028.71	**63,859.52**
Total assets		**151,876.49**	**141,941.02**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	931.27	931.27
(b) Other equity	16	84,756.55	76,068.72
Total equity		**85,687.82**	**76,999.99**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	12,820.60	12,031.78
(ii) Lease liabilities	35	3,139.56	3,309.21
(iii) Derivative instruments	19(a)	7.79	146.08
(iv) Other financial liabilities	19	117.69	391.09
(b) Provisions	20	537.85	220.27
(c) Deferred tax liabilities (net)	21	1,523.53	2,000.12
		18,147.02	**18,098.55**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	31,425.02	32,324.47
(ii) Lease liabilities	35	169.91	151.26
(iii) Trade payables	22		
Dues to micro enterprises and small enterprises		66.34	63.70
Dues to other than micro enterprises and small enterprises		12,804.82	12,063.04
(iv) Derivative instruments	19(a)	9.32	41.80
(v) Other financial liabilities	19	834.26	626.09
(b) Other liabilities	23	1,378.30	804.44
(c) Provisions	20	982.11	470.20
(d) Current tax liabilities (net)		371.57	297.48
		48,041.65	**46,842.48**
Total liabilities		**66,188.67**	**64,941.03**
Total equity and liabilities		**151,876.49**	**141,941.02**

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of Bharat Forge Limited

Shiraz Vastani
Partner
Membership Number: 103334

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Place: Pune
Date: May 08, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

In ₹ Million

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	24	89,686.34	75,727.12
Other income	25	1,623.41	1,504.96
Total income [i]		**91,309.75**	**77,232.08**
EXPENSES			
Cost of raw materials and components consumed	26	38,810.70	33,506.59
(Increase) in inventories of finished goods, work-in-progress, dies and scrap	27	(509.71)	(673.13)
Employee benefits expenses	28	6,014.47	5,430.06
Finance costs	29	2,874.12	2,126.89
Depreciation and amortisation expenses	30	4,420.42	4,259.57
Other expenses	31	20,593.11	18,352.50
Total expenses [ii]		**72,203.11**	**63,002.48**
Profit before exceptional items and tax [i - ii]		19,106.64	14,229.60
Exceptional items gain/(loss)	32	(154.33)	(402.13)
PROFIT BEFORE TAX		**18,952.31**	**13,827.47**
INCOME TAX EXPENSE/(INCOME)	21		
Current tax		4,960.90	3,759.26
Deferred tax charge/(credit)		(258.16)	(386.53)
Income tax expense		**4,702.74**	**3,372.73**
Profit for the year		**14,249.57**	**10,454.74**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
- Re-measurement gain/(loss) on defined benefit plans	33	(137.13)	61.79
- Net gain/(loss) on FVTOCI equity investments	33	(2,055.12)	242.59
		(2,192.25)	**304.38**
Income tax effect		252.86	(27.04)
[a]		**(1,939.39)**	**277.34**
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
- Net movement on cash flow hedges	33	136.79	(2,098.99)
Income tax effect		(34.43)	528.27
[b]		**102.36**	**(1,570.72)**
Other comprehensive income/(loss) for the year (net of tax) [a+b]		**(1,837.03)**	**(1,293.38)**
Total comprehensive income for the year (net of tax)		**12,412.54**	**9,161.36**
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2023: ₹ 2/-)]	34		
Basic (in ₹)		30.60	22.45
Diluted (in ₹)		30.60	22.45

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of Bharat Forge Limited

Shiraz Vastani
Partner
Membership Number: 103334

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Place: Pune
Date: May 08, 2024

Statement of Changes in Equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2/- each issued, subscribed and fully paid

	No.
As at March 31, 2024	**465,588,632**
As at March 31, 2023	465,588,632
As at April 01, 2022	465,588,632

(1) For the year ended March 31, 2024

In ₹ Million

Balance as on April 1, 2023	Changes in equity share capital during the current year	Balance as on March 31, 2024
931.27	-	931.27

(2) For the year ended March 31, 2023

In ₹ Million

Balance as on April 1, 2022	Changes in equity share capital during the current year	Balance as on March 31, 2023
931.27	-	931.27

B. OTHER EQUITY

In ₹ Million

	Reserves and Surplus [Refer note 16]				Items of OCI [Refer note 16]		
	Security premium	Capital reserves	General reserve	Retained earnings	Equity Instruments through Other Comprehensive Income	Cash flow hedge reserve	Total
Balance as at April 1, 2023	**6,930.89**	**15.50**	**3,230.48**	**62,480.36**	**2,167.65**	**1,243.84**	**76,068.72**
- Profit for the year	-	-	-	14,249.57	-	-	14,249.57
- Other Comprehensive Income/(loss)	-	-	-	(102.62)	(1,836.77)	102.36	(1,837.03)
Total comprehensive income	**-**	**-**	**-**	**14,146.95**	**(1,836.77)**	**102.36**	**12,412.54**
Transaction with owners in their capacity as owners							
- Final Equity dividend	-	-	-	(2,560.74)	-	-	(2,560.74)
- Interim equity dividend	-	-	-	(1,163.97)	-	-	(1,163.97)
Balance as at March 31, 2024	**6,930.89**	**15.50**	**3,230.48**	**72,902.60**	**330.88**	**1,346.20**	**84,756.55**
Balance as at April 1, 2022	**6,930.89**	**15.50**	**3,230.48**	**55,238.50**	**1,936.55**	**2,814.56**	**70,166.48**
- Profit for the year	-	-	-	10,454.74	-	-	10,454.74
- Other Comprehensive Income	-	-	-	46.24	231.10	(1,570.72)	(1,293.38)
Total comprehensive income	**-**	**-**	**-**	**10,500.98**	**231.10**	**(1,570.72)**	**9,161.36**
Transaction with owners in their capacity as owners							
- Final Equity dividend	-	-	-	(2,560.74)	-	-	(2,560.74)
- Interim equity dividend	-	-	-	(698.38)	-	-	(698.38)
Balance as at March 31, 2023	**6,930.89**	**15.50**	**3,230.48**	**62,480.36**	**2,167.65**	**1,243.84**	**76,068.72**

The accompanying notes form an integral part of the 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

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Place: Pune
Date: May 08, 2024

Cash Flow Statement

for the year ended March 31, 2024

In ₹ Million

	Year ended March 31, 2024	Year ended March 31, 2023
OPERATING ACTIVITIES		
Profit after exceptional items and before tax	**18,952.31**	**13,827.47**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	4,420.42	4,259.57
Unrealised foreign exchange gain/(loss)/MTM (net),etc.	(269.06)	393.54
Interest income	(396.90)	(449.49)
Liabilities/provisions no longer required written back	(61.54)	(8.35)
Provision for doubtful debts and advances (includes expected credit loss) (net)	50.00	61.78
Bad debts/advances written off	-	5.27
Finance cost	2,874.12	2,126.89
(Gain) on sale of property, plant and equipment (net)	(13.00)	(45.64)
Dividend income from investment	(5.67)	(4.78)
Net loss/(gain) on sale of financial investments	(530.89)	(1,363.28)
Net loss/(gain) on fair valuation of financial instruments (FVTPL)	(198.39)	704.76
Non-cash exceptional items	133.35	(39.99)
Operating profit before working capital changes	**24,954.75**	**19,467.75**
Working capital adjustments:		
(Increase)/decrease in trade receivables	(3,979.58)	(6,856.22)
(Increase)/decrease in inventories	(656.42)	(1,527.85)
(Increase)/decrease in other financial assets	2,041.72	(506.54)
(Increase)/decrease in other assets	1,177.52	(853.39)
Increase/(decrease) in provisions	659.41	(44.54)
Increase/(decrease) in trade payables	828.30	2,450.74
Increase/(decrease) in other financial liabilities	(248.02)	93.58
Increase/(decrease) in other liabilities	573.86	(386.35)
Cash generated from operations	**25,351.54**	**11,837.18**
Income taxes paid (net of refunds)	(4,435.96)	(3,954.59)
Net cash flows from operating activities (A)	**20,915.58**	**7,882.59**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital creditors and capital advances)	(5,278.87)	(3,006.26)
Proceeds from sale of property, plant and equipment and intangible assets	37.24	156.45
Investment in subsidiaries, associates and joint ventures	(6,528.25)	(4,768.22)
Loans given to subsidiaries and associates	(1,027.68)	(3,848.16)
Proceeds from loan given to subsidiaries and associates	25.80	1,135.95
Investments in mutual funds, fixed deposits and other deposits	(103,284.82)	(99,404.44)
Proceeds from sale of financial instruments including fixed deposits	107,733.23	103,458.65
Interest received	229.98	263.37
Dividends received	5.67	4.78
Net cash flows (used in) investing activities (B)	**(8,087.70)**	**(6,007.88)**
FINANCING ACTIVITIES		
Dividend on equity shares	(3,800.67)	(3,252.83)
Interest on lease liability	(305.59)	(220.32)
Interest paid on borrowing and other liabilities	(2,610.62)	(1,545.51)
Payment of principal portion of lease liabilities	(151.61)	(114.23)
Proceeds from borrowings including bill discounting (net of expenses)	86,871.32	71,578.97
Repayment of borrowings including bill discounting	(86,407.89)	(68,168.91)
Net cash flows from/(used in) financing activities (C)	**(6,405.06)**	**(1,722.83)**
Net increase in cash and cash equivalents (A + B + C)	**6,422.82**	**151.88**
Net foreign exchange difference	12.89	47.60
Cash and cash equivalents at the beginning of the year*	**3,977.16**	**3,777.68**
Cash and cash equivalents at the end of the year*	**10,412.87**	**3,977.16**

*Excluding earmarked balances (on unclaimed dividend accounts and unspent CSR account)

Cash Flow Statement

for the year ended March 31, 2024 (contd.)

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

In ₹ Million

	Year ended March 31, 2024	Year ended March 31, 2023
BALANCES WITH BANKS (NOTE 13):		
In cash credit and current accounts	5,162.11	3,875.52
Deposits with original maturity of less than three months	5,250.00	100.96
Cash on hand	0.76	0.68
Total	**10,412.87**	**3,977.16**

The accompanying notes form an integral part of the 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 08, 2024

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 aluminum 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 08, 2024.

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 the 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 twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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 the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve 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 twelve 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

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at 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 that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at 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 note 2.2(n)]**.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

d. Fair value measurement

The Company measures financial instruments at fair value at 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 at 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 by the Company.

The fair value of an asset or a liability is measured using the assumptions that 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 that would use the asset in its highest and best use.

The Company 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 that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 whether professional standards are maintained. 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, 2024

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 of recognising the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract 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 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 the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the 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 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 nature of job work on customer product, which normally takes 1-4 days for completion, and accordingly, 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 Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

e. Revenue from operations (contd.)

Warranty

Provision for assurance type warranties predominantly cover risk arising from expected claims for damages on the products sold by the Company, based on 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.

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for 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 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 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 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 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 the expected cash flows by considering all the 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

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 them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and is 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 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 the 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 it is probable that the temporary differences will 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

h. Taxes (contd.)

The carrying amount of deferred tax assets is reviewed at 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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will 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 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 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 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 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 life. 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.

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, 2024

2.2 Summary of Material accounting policies (contd.)

i. Property, plant and equipment (contd.)

The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on a straight line method based on useful life, determined based on internal technical evaluation as follows:

Type of asset	Schedule II life (years)	Useful life 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 life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful life 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 life 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, 2024

2.2 Summary of Material accounting policies (contd.)

j. Investment properties (contd.)

Though 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, 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 the expenditure is incurred.

Intangible assets with finite life 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 the amortisation 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 expense on intangible assets with finite life is 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 are recognised in the statement of profit and loss when the asset is derecognised.

The summary of amortisation policy applied to the Company's intangible assets is as below:

Type of asset	Life (years)
Computer software	3
Technology licenses	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, 2024

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 reliably the expenditure 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.

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 cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Leases

The Company 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.

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 at 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 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 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 life of the assets, as follows:

Type of Asset	Useful life estimated by management (years)
Buildings	2 to 18
Leasehold land	95
Plant and machinery	15

If the 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 (n) Impairment of non-financial assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 leases that have 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 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 cost of purchases, cost 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 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 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, 2024

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'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 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. 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 indication exists, the Company 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 exceeds 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, it is probable that 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 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.

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.

As for the employees who are not covered under the above scheme, their portion of provident fund is contributed to the Government administered provident fund which is a defined contribution scheme.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

q. Post-employment and other employee benefits (contd.)

The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises 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 pre-payment will lead to, a reduction in future payment or a cash refund.

Gratuity, Post retirement medical benefits and pension:

The Company operates two defined benefits plans for its employees viz. gratuity and special gratuity scheme. Payment for 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 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, 2024

2.2 Summary of Material accounting policies (contd.)

q. Post-employment and other employee benefits (contd.)

Superannuation

Retirement benefit in the form of 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 expense toward 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, which is 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 at 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 the 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 liability 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 liability.

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, the 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 that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets. 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

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 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 Company 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 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

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 amortised cost or as at 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 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 the fair value. The Company makes such 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 at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investment 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.

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

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 amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

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 result 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 loss 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, then 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 the 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

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 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, 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 loss, the Company 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 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 and 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 as 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.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

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 a 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 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 that would otherwise be 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 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.

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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

s. Derivative financial instruments and hedge accounting (contd.)

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 the Company 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 achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually 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 finance costs.

For fair value hedges relating to items carried at 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.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.2 Summary of Material accounting policies (contd.)

s. **Derivative financial instruments and hedge accounting (contd.)**

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 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 note 50.

Amounts recognised as 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 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 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 consists 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.

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, 2024

2.3 Changes in accounting policies and new and amended standards

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2023. The Company has not adopted any other standard or amendment that has been issued but is not yet effective:

(a) **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The amendment had no impact on the financial statements of the Company.

(b) **Ind-AS 12: Income Taxes**

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from April 01, 2023. The Company previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at April 01, 2023 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at April 01, 2023 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised

(c) **Ind-AS 8: Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendment had no impact on the financial statements of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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)
Cost												
at April 01, 2022	**410.92**	**6,443.09**	**40,719.03**	**127.32**	**0.02**	**257.66**	**1,043.68**	**297.56**	**2,201.79**	**6.17**	**51,507.24**	**2,480.08**
Additions	-	0.13	2,182.63	27.24	-	-	130.36	19.79	9.38	-	2,369.53	2,911.70
Disposals	-	-	(124.38)	-	-	-	-	(0.38)	(3.43)	-	(128.19)	(2,369.53)
Other adjustments												
- Borrowing costs (Refer note c)	-	-	24.53	-	-	-	-	-	-	-	24.53	10.05
at March 31, 2023	**410.92**	**6,443.22**	**42,801.81**	**154.56**	**0.02**	**257.66**	**1,174.04**	**316.97**	**2,207.74**	**6.17**	**53,773.11**	**3,032.30**
Additions	-	231.34	2,796.56	108.19	-	1.97	217.45	18.47	206.13	-	3,580.11	3,581.26
Disposals	-	-	(90.53)	-	-	-	(3.75)	(0.20)	(10.36)	-	(104.84)	(2,856.00)
Other adjustments												
- Borrowing costs (Refer note c)	-	-	9.69	-	-	-	-	-	-	-	9.69	2.86
at March 31, 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**
Depreciation and impairment												
at April 01, 2022	-	**1,096.44**	**17,986.64**	**68.35**	-	**156.14**	**417.94**	**127.65**	**925.44**	**6.17**	**20,784.77**	-
Charge for the year	-	209.33	3,504.28	20.12	-	5.28	94.73	28.34	137.06	-	3,999.14	-
Disposals	-	-	(3.86)	-	-	-	-	(0.26)	(2.69)	-	(6.81)	-
at March 31, 2023	-	**1,305.77**	**21,487.06**	**88.47**	-	**161.42**	**512.67**	**155.73**	**1,059.81**	**6.17**	**24,777.10**	-
Charge for the year	-	210.77	3,597.24	21.88	-	5.05	105.69	27.80	139.71	-	4,108.14	-
Disposals	-	-	(72.54)	-	-	-	(0.73)	(0.15)	(7.18)	-	(80.60)	-
at March 31, 2024	-	**1,516.54**	**25,011.76**	**110.35**	-	**166.47**	**617.63**	**183.38**	**1,192.34**	**6.17**	**28,804.64**	-
Net block												
at March 31, 2023	**410.92**	**5,137.45**	**21,314.75**	**66.09**	**0.02**	**96.24**	**661.37**	**161.24**	**1,147.93**	-	**28,996.01**	**3,032.30**
at March 31, 2024	**410.92**	**5,158.02**	**20,505.77**	**152.40**	**0.02**	**93.16**	**770.11**	**151.86**	**1,211.17**	-	**28,453.43**	**3,760.42**

(a) Buildings include cost of hangar jointly owned with other companies ₹ 0.07 million (March 31, 2023: ₹ 0.07 million)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

3. OTHER NON-CURRENT ASSETS (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 at ₹ 0.16 million for which exchange deed is registered at authority, however, certified true copy and index II is 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 ₹ 0.05 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, 2024 was ₹ 2.48 million (March 31, 2023: ₹ 20.16 million). The capitalisation rate ranges from LIBOR + 60 bps to LIBOR + 100 bps p.a. and EURIBOR + 60 bps to EURIBOR + 64 bps p.a. and SOFR + 60 bps to SOFR + 116 bps, **refer note 18(a).**

(d) Assets include assets lying with third parties amounting to ₹ 351.61 Million (March 31, 2023: ₹ 406.56 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, 2024					
Projects in progress	2,918.17	358.29	96.18	387.78	3,760.42
Projects temporarily suspended	-	-	-	-	-
Total	**2,918.17**	**358.29**	**96.18**	**387.78**	**3,760.42**
March 31, 2023					
Projects in progress	2,244.30	211.47	32.88	543.65	3,032.30
Projects temporarily suspended	-	-	-	-	-
Total	**2,244.30**	**211.47**	**32.88**	**543.65**	**3,032.30**

There are no projects whose completion is overdue or that have exceeded their cost compared to the original plan.

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, 2024

4. INVESTMENT PROPERTY

In ₹ Million

Particulars	Freehold land
Cost	
at April 1, 2022	**2.89**
Additions	-
Disposals	-
at March 31, 2023	**2.89**
Additions	-
Disposals	-
at March 31, 2024	**2.89**
Depreciation and impairment	
at April 1, 2022	**-**
Depreciation for the year	-
at March 31, 2023	**-**
Depreciation for the year	-
at March 31, 2024	**-**
Net block	
at March 31, 2022	**2.89**
at March 31, 2023	**2.89**
at March 31, 2024	**2.89**

Information regarding income and expenditure of investment property

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Rental income derived from investment properties (included in Rent in note 25)	4.42	3.86
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)	1.12	1.03
Profit arising from investment properties before depreciation and indirect expenses	**3.30**	**2.83**
Less: Depreciation	-	-
Profit arising from investment properties before indirect expenses	**3.30**	**2.83**

The Company's investment properties consist of three parcels of land situated at Pune, Satara and Chakan.

As at March 31, 2024 and March 31, 2023, the fair values of the properties are ₹ 1,168.98 million and ₹ 1,139.56 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 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, 2024

4. INVESTMENT PROPERTY (CONTD.)

The Company has no restrictions (other than the land for which matter is subjudice and for which no income has been considered) 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. Due to certain matters being sub-judice, the Company has not executed a lease deed with a related party for one of the said lands.

Reconciliation of fair value

In ₹ Million

Particulars	Free hold land
at April 1, 2022	**2,432.95**
Fair value difference	(1,293.39)
Purchases	-
at March 31, 2023	**1,139.56**
Fair value difference	29.42
Purchases	-
at March 31, 2024	**1,168.98**

5. INTANGIBLE ASSETS

In ₹ Million

Particulars	Computer software	Technology License	Total
Cost			
at April 1, 2022	**69.12**	**218.57**	**287.69**
Purchase	16.08	-	16.08
Disposals	-	-	-
at March 31, 2023	**85.20**	**218.57**	**303.77**
Purchase	41.36	-	41.36
Disposals	-	-	-
at March 31, 2024	**126.56**	**218.57**	**345.13**
at April 1, 2022	**38.92**	**145.85**	**184.77**
Amortisation	18.37	48.00	66.37
Disposals	**-**	**-**	**-**
at March 31, 2023	**57.29**	**193.85**	**251.14**
Amortisation	**23.04**	**24.40**	**47.44**
Disposals	-	-	-
at March 31, 2024	**80.33**	**218.25**	**298.58**
Net block			
at March 31, 2023	**27.91**	**24.72**	**52.63**
at March 31, 2024	**46.23**	**0.32**	**46.55**

The Company has not revalued any intangible assets during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2023: EUR 5,000,000)]		
Capital contribution credited in favour of Bharat Forge Limited	8,959.07	5,801.62
[EUR 118,464,428 (March 31, 2023: EUR 83,464,428)] **[Refer note 6(a)]**		
	9,247.05	**6,089.60**
60 (March 31, 2023: 60) Common stock of 1 cent each fully paid up in Bharat Forge America Inc. USD 109,319,514 (March 31, 2023: USD 94,319,514) **[Refer note 6(b)]**	6,892.08	5,643.78
64,000 (March 31, 2023: 64,000) equity shares of £ 1/- each fully paid up in Bharat Forge International Limited	304.78	304.78
223,966,800 (March 31, 2023: 223,966,800) equity shares of ₹ 10/- each fully paid up in BF Infrastructure Limited **[Refer note 6(h)]**	1,641.55	1,641.55
Less: Provision for impairment in value of investments	1,488.96	1,355.60
	152.59	**285.95**
450,663,325 (March 31, 2023: 189,378,517) equity shares of ₹ 10/- each fully paid up in Kalyani Powertrain Limited **[Refer note 6(c)]**	4,506.64	1,893.79
69,088,330 (March 31, 2023: 69,088,330) equity shares of ₹ 10/- each fully paid up in Kalyani Centre For Precision Technology Limited	690.88	690.88
333,229,111 (March 31, 2023: 291,729,112) equity shares of ₹ 10/- each fully paid up in BF Industrial Solutions Limited **[Refer note 6(d)]**	3,539.79	2,917.29
66,510,734 (March 31, 2023: 66,510,734) equity shares of ₹ 10/- each fully paid up in Kalyani Strategic Systems Limited **[Refer note 6(e)]**	788.34	788.34
1,000 (March 31, 2023: 1,000) equity shares of ₹ 10/- each fully paid up in Kalyani Lightweighting Technology Solutions Limited **[Refer note 6(f)]**	0.01	0.01
- Other subsidiaries where Company holds 51% or more of the equity share capital		
1,010,000 (March 31, 2023: 1,010,000) equity shares of ₹ 10/- each fully paid up in BF Elbit Advanced Systems Private Limited	10.10	10.10
83,226 (March 31, 2023: 83,226) equity shares of ₹ 10/- each fully paid up in Eternus Performance Materials Private Limited	3.75	3.75
Carried over	26,136.01	17,628.27

Notes to Standalone Financial Statements

for the year ended March 31, 2024

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Brought over	26,136.01	17,628.27
- Investments in joint ventures		
7,128,219 (March 31, 2023: 7,128,219) equity shares of ₹ 10/- each fully paid up in BF NTPC Energy Systems Limited **[Refer note 6(g)]**	33.64	33.64
Less: Provision for impairment in value of investments	33.64	33.64
	-	-
12,500 (March 31, 2023: 12,500) shares of EUR 1/- each in REFU Drive GmbH EUR 11,350,000 (March 31, 2023: EUR 11,350,000)	919.14	919.14
- Investments in associates		
11,375,000 (March 31, 2023: 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, 2023: 150,000,000) preference shares of ₹ 10/- each fully paid up in BF Industrial Solutions Limited **[Refer note 6(d)]**	1,500.00	1,500.00
Total	**28,668.90**	**21,161.16**

(a) Bharat Forge Global Holding GmbH (BFGH)

Contributions to the capital reserves of BFGH as per the German Commercial Code (code), form a part of the equity share capital and accordingly, have been considered as an investment and are redeemable subject to provisions of the code.

During the current year, the Company has made further capital contribution to BFGH of ₹ 3,157.45 million (Euro 35.00 million).

(b) Bharat Forge America Inc.

During the current year, the Company has invested an amount of ₹ 1,248.30 million by way of additional paid in capital (USD 15.00 million) for further investment by Bharat Forge America Inc. into its subsidiary, Bharat Forge Aluminium USA, Inc.

During the previous year, the Company had invested an amount of ₹ 826.45 million by way of additional paid in capital (USD 10.00 million) for further investment by Bharat Forge America Inc. into its subsidiary, Bharat Forge Aluminium USA, Inc. The Company had also converted a loan and interest thereon of USD 24.92 million into a capital contribution amounting to ₹ 2,061.74 million during the previous year.

(c) Kalyani Powertrain Limited (KPL)

During the current year, the Company has invested an amount of ₹ 2,612.85 million by acquiring 261,284,808 right shares of ₹ 10 each in Kalyani Powertrain Limited for further investment into its subsidiary Kalyani Mobility Inc., a loan to its subsidiary Electroforge Limited and balance for other business activities.

During the previous year, the Company had invested an amount of ₹ 270.55 million by acquiring 27,054,073 right shares of ₹ 10 each in Kalyani Powertrain Limited.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

(d) BF Industrial Solutions Limited (BFISL)

During the current year, the Company has invested an amount of ₹ 622.50 million by acquiring 41,499,999 right shares of ₹ 10 each at a premium of ₹ 5 each in BF Industrial Solutions Limited for further investment into its subsidiary JS Auto Cast Foundry India Private Limited.

During the previous year, the Company had invested an amount of ₹ 1,997.29 million by acquiring 199,729,112 equity shares of ₹ 10 each and an amount of ₹ 1,500.00 million by acquiring 150,000,000 preference shares of ₹ 10 each for further investment by BFISL into its subsidiary JS Auto cast Foundry India Private Limited.

(e) Kalyani Strategic Systems Limited (KSSL)

During the previous year, the company had invested an amount of ₹ 60.19 million by converting 12,037,892 partly paid equity shares, paid up amount of ₹ 5 per share into fully paid equity shares of ₹ 10 each. The company had transferred its investments in ACIL and Aeron to KSSL. It had transferred ACIL for an amount of ₹ 46.41 million by transferring 4,640,908 equity shares of ₹ 10 each due to which ACIL ceased to be a subsidiary of the company and Aeron for an amount of ₹ 137.18 million by transferring 13,718,250 equity shares of 10 each due to which Aeron ceased to be an associate of the company.

(f) Kalyani Lightweighting Technology Solutions Limited (KLTSL)

During the previous year, the Company had invested an amount of ₹ 0.01 million by acquiring 1,000 equity shares of ₹ 10 each.

(g) 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 to liquidate the Company under the provisions of Section 59 of the Insolvency and Bankruptcy Code 2016.

(h) BF Infrastructure Limited (BFIL)

During the current year, the company has made provision for impairment in value of investment of ₹ 133.35 million in investment in equity instruments of BFIL. The provision is recognised as an exceptional item in the statement of profit and loss.

(i) Avaada MHVidarbha Private Limited

During the previous year, the Company had invested an amount of ₹ 113.75 million by acquiring 11,375,000 equity shares of ₹ 10 each for the procurement of solar power.

(j) 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.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

7. INVESTMENTS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2023: 38,384,202) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited **[Refer note 7 (c) and 48]**	1,060.94	988.00
14,245,000 (March 31, 2023: 14,245,000) equity shares of ₹ 10/- each in Avaada SataraMH Private Limited **[Refer note 7(c)]**	166.38	142.45
2,033,850 (March 31, 2023: 2,033,850) equity shares of ₹ 10/- each in Avaada MHBuldhana Private Limited **[Refer note 7(c)]**	23.76	20.34
11,09,132 (March 31, 2023: 11,09,132) ordinary shares of £ 0.00001 each in TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) **[Refer note 7(e)]**	9.71	2,803.94
Equity instruments (quoted) (fully paid)		
- Investments in others		
613,000 (March 31, 2023: 613,000) equity shares of ₹ 2/- each fully paid up in Birlasoft Limited (erstwhile KPIT Technologies Limited) **[Refer note 7(b)]**	454.85	160.08
613,000 (March 31, 2023: 613,000) equity shares of ₹ 10/- each fully paid up in KPIT Technologies Limited (erstwhile KPIT Engineering Limited) **[Refer note 7(b)]**	911.16	567.09
Total FVTOCI investments	**2,626.80**	**4,681.90**
(b) Investments designated at amortised cost		
Debt Mutual funds (unquoted)	1,734.16	1,628.73
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	51.06	-
(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, 2023: 504,432) equity shares of ₹ 10/- each in Gupta Energy Private Limited **[Refer note 7(a)]**	-	-
Investments in private equity fund (unquoted funds)		
665,144.18 (March 31, 2023: 1,538,810.22) Units of ₹ 100/- each of Paragon Partners Growth Fund - I **[Refer note 7(d)]**	113.33	255.92
Investments in units of mutual funds (quoted funds) **[Refer note 7(d)]**	-	1,129.77
Investments in units of mutual funds (unquoted funds) **[Refer note 7(d)]**	1,366.91	6,406.50
Total FVTPL investments (Non-current)	**1,480.24**	**7,792.19**
Total Non Current Investment	**5,892.26**	**14,102.82**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

7. INVESTMENTS (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Current investments		
(d) Investments designated at amortised cost		
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	907.50	-
(e) Investments designated at fair value through profit or loss (FVTPL)		
Investments in units of mutual funds (quoted funds) **[Refer note 7(d)]**	2,307.02	1,440.80
Investments in units of mutual funds (unquoted funds) **[Refer note 7(d)]**	6,875.27	6,086.17
Total FVTPL investments (Current)	**9,182.29**	**7,526.97**
Total Current Investment	**10,089.79**	**7,526.97**
Non-current		
Aggregate book value of quoted investments	151.30	1,187.24
Aggregate market value of quoted investments	1,417.07	1,856.94
Aggregate value of unquoted investments	4,475.19	12,245.88
Current		
Aggregate book value of quoted investments	2,715.28	1,047.84
Aggregate market value of quoted investments	3,214.52	1,440.80
Aggregate value of unquoted investments	6,875.27	6,086.17

(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) Birlasoft Limited and 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, had 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 had been transferred to KPIT Engineering Limited.

Pursuant to the order during the earlier year, Birlasoft (India) Limited had merged with KPIT Technologies Limited and KPIT Technologies had been renamed "Birlasoft Limited". KPIT Engineering Limited had been renamed "KPIT Technologies Limited".

Pursuant to the scheme, the Company had received 1 equity share of KPIT Technologies Limited of ₹ 10/- each for 1 equity share of Birlasoft Limited of ₹ 2/- each. The ratio of cost of acquisition per share of Birlasoft Limited and KPIT Technologies Limited was 56.64% to 43.36%.

(c) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity and debt securities. **Refer note 48** for determination of their fair values.

(d) Investments at fair value through profit or loss (fully paid) reflect investment in quoted/unquoted equity and debt securities. **Refer note 48** for determination of their fair values.

(e) TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited)

The Company holds investments in Tevva Motors Limited (held through TMJ Electric Vehicles 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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

7. INVESTMENTS (CONTD.)

has ceased to be an associate of the Group from November 8, 2021. Accordingly, the Company has classified it to be an equity instrument held at fair value through other comprehensive income. Also **refer note 32**.

During the current year, the Company has considered a fair value adjustment as against the total carrying value of Tevva resulting in other comprehensive loss of ₹ 2,794.23 million.This fair value adjustment has been considered basis future projections and revenue market multiple for comparable companies in the segment.

8. LOANS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current (Unsecured, considered good)		
Loans to related parties [refer note 42, 46]		
Loans to subsidiaries	378.08	1,260.20
Other loans		
Loans to employees	60.26	56.78
Total	**438.34**	**1,316.98**
Current (Unsecured, considered good)		
Loans to related parties [refer note 42, 46, 47]		
Loans to subsidiaries	1,001.41	192.35
Other loans		
Loans to employees	35.45	33.43
Total	**1,036.86**	**225.78**

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 counter parties.

9. DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	696.82	646.49
Total	**696.82**	**646.49**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	1,126.58	1,247.05
Fair value hedges (FVTPL)		
Foreign currency forward contracts	5.14	1.46
Cross currency swap	-	77.02
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	7.83	-
Total	**1,139.55**	**1,325.53**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

9. DERIVATIVE INSTRUMENTS (CONTD.)

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign currency forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR).

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of EUR/INR and foreign currency forward contracts to hedge exposure to changes in the fair value of underlying Euro liability and trade receivables respectively.

Derivative instruments not designated as hedge reflect the positive change in cross currency swaps through which the Company has converted two of its long-term INR Non-Convertible Debentures into a Euro and INR pre-shipment credit into USD and EURO for positive interest arbitrage.

10. OTHER FINANCIAL ASSETS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Government grants$	53.09	48.57
Security deposits#	318.68	308.38
Deposits with remaining maturity for more than twelve months	-	0.26
Total	**371.77**	**357.21**
Current		
Government grants$	15.51	477.04
Energy credit receivable - windmills	-	10.32
Recoverable from subsidiaries **[Refer note 39]**	263.19	1,832.08
Interest Recoverable	53.40	22.77
Total	**332.10**	**2,342.21**

$ Includes receivable 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, 2024	As at March 31, 2023
Raw materials and components*	4,812.52	4,731.10
Work-in-progress	5,085.99	4,383.56
Finished goods**	2,057.15	2,246.01
Stores, spares and loose tools	995.78	930.49
Dies and dies under fabrication	265.97	216.59
Scrap	77.44	130.68
Total	**13,294.85**	**12,638.43**

* Includes goods in transit March 31, 2024: ₹ 297.99 million [March 31, 2023: ₹ 182.73]

** Includes goods in transit March 31, 2024: ₹ 1,292.34 million [March 31, 2023: ₹ 1,254.87 million]

During the year ended March 31, 2024: ₹ (23.33) million [March 31, 2023: ₹ 12.53 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, 2024

12. TRADE RECEIVABLES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured		
Considered good	118.36	117.36
Significant increase in credit risk	-	-
	118.36	**117.36**
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Unsecured (Considered good)	36.17	4.11
Significant increase in credit risk	-	-
	36.17	**4.11**
Total	**82.19**	**113.25**
Current		
Secured		
Considered good	39.25	87.82
	39.25	**87.82**
Unsecured		
Considered good (including related party receivables)	36,460.43	32,583.53
Significant increase in credit risk	-	-
Credit impaired	35.84	98.14
	36,496.27	**32,681.67**
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	35.84	98.14
Unsecured (Considered good)	317.93	237.69
	353.77	**335.83**
Total	**36,181.75**	**32,433.66**

No trade receivable 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 note 39 and 42**.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

12. TRADE RECEIVABLES (CONTD.)

Trade receivable ageing schedule

As at March 31, 2024

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							
(a) Considered good	31,438.42	3,790.75	276.01	779.89	252.69	80.28	36,618.04
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	0.09	35.75	35.84
Unbilled revenue	-	-	-	-	-	-	-
Total	**31,438.42**	**3,790.75**	**276.01**	**779.89**	**252.78**	**116.03**	**36,653.88**
Loss Allowance	**42.02**	**29.55**	**8.70**	**107.85**	**88.96**	**112.86**	**389.94**

As at March 31, 2023

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							
(a) Considered good	28,570.61	3,306.09	606.15	186.01	43.48	76.37	32,788.71
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	55.71	23.64	18.79	98.14
Unbilled revenue	-	-	-	-	-	-	-
Total	**28,570.61**	**3,306.09**	**606.15**	**241.72**	**67.12**	**95.16**	**32,886.85**
Loss Allowance	**23.08**	**164.42**	**34.23**	**67.87**	**26.91**	**23.43**	**339.94**

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, 2024	As at March 31, 2023
Transferred receivables	20,005.49	20,391.04
Associated secured borrowing **[bank loans - refer note 18]**	20,008.63	20,395.53

Notes to Standalone Financial Statements

for the year ended March 31, 2024

13. CASH AND BANK BALANCES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks:		
In cash credit and current accounts	5,162.11	3,875.52
Deposits with remaining maturity of less than three months	5,250.00	100.96
Cash on hand	0.76	0.68
Total	**10,412.87**	**3,977.16**
Other bank balances		
Earmarked balances (on unclaimed dividend and unspent CSR accounts)	119.07	44.18
Deposits with remaining maturity of less than twelve months	7.22	2.38
Total	**126.29**	**46.56**

Bank deposits earn interest at fixed rates. Short term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

14. OTHER ASSETS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current (Unsecured, considered good)		
Capital advances	3,770.89	2,679.41
Government grants$	74.46	-
Balances with government authorities	270.20	236.58
Advance to suppliers #	-	1,350.00
Total	**4,115.55**	**4,265.99**
Current (Unsecured, considered good)		
Balances with government authorities	1,625.39	1,787.44
Government grants$	228.95	-
Advance to suppliers	1,047.32	847.29
Others	512.99	708.49
Total	**3,414.65**	**3,343.22**

$ Includes receivable 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.

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 **note 39 and 42**.

For terms and conditions relating to related party receivables, **refer note 39**.

Pertained to long-term advance given to Saarloha Advanced Materials Private Limited for a period of 4 years at an interest rate of 8.25% p.a. Frequency of interest payment was quarterly. Also **refer note 42**.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

14. OTHER ASSETS (CONTD.)

Break up of financial assets carried at cost

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in subsidiaries, joint ventures and associates **[Refer note 6]**	28,668.90	21,161.16
Total	**28,668.90**	**21,161.16**

Break up of financial assets carried at amortised cost

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investments **[Refer note 7]**	2,692.72	1,628.73
Loans **[Refer note 8]**	1,475.20	1,542.76
Other financial assets **[Refer note 10]**	703.87	2,699.42
Trade receivables **[Refer note 12]**	36,263.94	32,546.91
Cash and cash equivalents **[Refer note 13]**	10,412.87	3,977.16
Other bank balances **[Refer note 13]**	126.29	46.56
Total	**51,674.89**	**42,441.54**

Break up of financial assets carried at fair value through OCI

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investments **[Refer note 7]**	2,626.80	4,681.90
Derivative instruments **[Refer note 9]**	1,823.40	1,893.54
Total	**4,450.20**	**6,575.44**

Break up of financial assets carried at fair value through profit and loss

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investments **[Refer note 7]**	10,662.53	15,319.16
Derivative instruments **[Refer note 9]**	5.14	78.48
Total	**10,667.67**	**15,397.64**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised shares (No.)		
975,000,000 (March 31, 2023: 975,000,000) equity shares of ₹ 2/- each	1,950.00	1,950.00
43,000,000 (March 31, 2023: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2023: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
465,768,492 (March 31, 2023: 465,768,492) equity shares of ₹ 2/- each	931.54	931.54
Subscribed and fully paid-up (No.)		
465,588,632 (March 31, 2023: 465,588,632) equity shares of ₹ 2/- each	931.18	931.18
Add:		
172,840 (March 31, 2023: 172,840) forfeited equity shares comprising of 15,010 equity shares (March 31, 2023: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2023: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50 each)	0.09	0.09
Total issued, subscribed and fully paid-up share capital	**931.27**	**931.27**

(a) Terms/rights attached to equity shares

The 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 Company declares and pays 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

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, 2024		As at March 31, 2023	
	No	₹ in Million	No	In ₹ Million
At the beginning of the year	465,588,632	931.18	465,588,632	931.18
Issued during the year	-	-	-	-
Outstanding at the end of the year	465,588,632	931.18	465,588,632	931.18

Notes to Standalone Financial Statements

for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL (CONTD.)

(c) Disclosure of shareholding of promoters and promoter group

Name of the promoter/promoter group member	Number of share held at March 31, 2024	% 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	0.15%	-
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	9.94%	-
Ajinkya Investment & Trading Company	14,981,850	3.22%	-
Sundaram Trading and Investment Private Limited	55,240,174	11.86%	-
Kalyani Investment Company Limited	63,312,190	13.60%	-
BF Investments Limited	15,614,676	3.35%	-
Rajgad Trading Company Private Limited	1,360,260	0.29%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.40%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	1.01%	-
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	0.24%	-
Campanula Investment & Finance Limited	739,980	0.16%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.22%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

Name of the promoter/promoter group member	Number of share held at March 31, 2023	% 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	0.15%	-
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	9.94%	-
Ajinkya Investment & Trading Company	14,981,850	3.22%	-
Sundaram Trading and Investment Private Limited	55,240,174	11.86%	-
Kalyani Investment Company Limited	63,312,190	13.60%	-
BF Investments Limited	15,614,676	3.35%	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL (CONTD.)

(c) Disclosure of shareholding of promoters and promoter group (contd.)

Name of the promoter/promoter group member	Number of share held at March 31, 2023	% of total shares	% Change during the year
Rajgad Trading Company Private Limited	1,360,260	0.29%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.40%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	1.01%	-
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	0.24%	-
Campanula Investment & Finance Limited	739,980	0.16%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.22%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

(d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares allotted as fully paid bonus shares by capitalisation of capital redemption reserve and securities premium during the year ended March 31, 2018	-	232,794,316

(f) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	63,312,190	13.60%	63,312,190	13.60%
Sundaram Trading and Investment Private Limited	55,240,174	11.87%	55,240,174	11.87%
KSL Holdings Private Limited	46,285,740	9.94%	46,285,740	9.94%

(g) Shares reserved for issue under option

Particulars	As at March 31, 2024 No.	As at March 31, 2023 No.
4,680 (March 31, 2023: 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, 2023: 234) detachable warrants entitled to subscription of 2,340 (March 31, 2023: 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, 2024

15. EQUITY SHARE CAPITAL (CONTD.)

(h) Global depository receipts

The Company had issued 3,636,500 equity shares of ₹ 10/- each (later sub-divided into 18,182,500 equity shares of ₹ 2/- each) in April 2005 represented by 3,636,500 Global Depository Receipts (GDR) (on sub division 18,182,500 GDRs) evidencing "Master GDR Certificates" at a price of USD 27.50 per GDR (including premium). GDRs outstanding as at year end are 800 (March 31, 2023: 800). The funds raised had been utilised towards the object of the issue.

Holders of GDRs will have no voting rights or other direct rights of a shareholder with respect to the shares underlying the GDR. Since the GDR holding has been substantially lower down, the termination of the GDR program has been initiated effective from January 15, 2024. The GDRs would be delisted from the Luxembourg Stock Exchange within the appropriate time frame. However, there will be no further impact on the Equity Share Capital of the Company. The underlying equity shares of the GDR holding will continue to be listed on BSE & NSE.

16. OTHER EQUITY

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
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	6,930.89	6,930.89
Closing balance	**6,930.89**	**6,930.89**
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	62,480.36	55,238.50
Add:		
- Net profit for the year	14,249.57	10,454.74
- Items of OCI:		
Re-measurement of defined benefit obligations	(102.62)	46.24
Less:		
- Final equity dividend of previous year	2,560.74	2,560.74
- Interim equity dividend for current financial year	1,163.97	698.38
Closing balance	**72,902.60**	**62,480.36**
Cash flow hedge reserve [Refer note 2.2(r)]		
Balance as per the last financial statements	1,243.84	2,814.56
Add: Arising during the year	1,018.33	(542.81)
Less: Adjusted during the year	915.97	1,027.91
Closing balance	**1,346.20**	**1,243.84**
Equity instruments through other comprehensive income		
Balance as per the last financial statements	2,167.65	1,936.55
Add/(less): Arising/(Adjusted) during the year	(1,836.77)	231.10
Closing balance	**330.88**	**2,167.65**
Closing balance	**84,756.55**	**76,068.72**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

16. OTHER EQUITY (CONTD.)

(a) Special capital incentive:

Special capital incentive is created during the financial year 1999-2000, amounting to ₹ 2.50 million under the 1988 Package Scheme of Incentives.

(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, 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 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:

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.

(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 represents the balanced undistributed profits of the Company as on Balance Sheet date.

17. DISTRIBUTION MADE AND PROPOSED TO BE MADE

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash dividends on equity shares declared and paid:		
Final dividend		
For the year ended on March 31, 2023: ₹ 5.50 per share (March 31, 2022: ₹ 5.50 per share)	2,560.74	2,560.74
Interim dividend		
During the year ended on March 31, 2024: ₹ 2.50 per share (March 31, 2023: ₹ 1.50 per share)	1,163.97	698.38
Proposed dividend on equity shares:		
Final dividend		
For the year ended on March 31, 2024: ₹ 6.5/- per share (March 31, 2023: ₹ 5.50/- per share)	3,026.33	2,560.74

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 dividend declared and dividend paid.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

18. BORROWINGS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current borrowings		
- Debentures		
5.97% Rated Unsecured Non-Convertible Debentures **[Refer Note 18 (a)(i)]**	2,495.81	3,981.20
5.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(a)(ii)]**	1,996.99	1,995.44
7.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(a)(ii)]**	1,245.04	-
- Term loans from banks		
Foreign currency term loans (unsecured)		
On bilateral basis **[Refer note 18(a)]**	1,332.77	4,055.14
Rupee loans term loan (unsecured)		
On bilateral basis **[Refer note 18(b)]**	5,749.99	2,000.00
Total	**12,820.60**	**12,031.78**
Current borrowings		
- Debentures - current maturity		
5.97% Rated Unsecured Non-Convertible Debentures **[Refer Note 18 (a)(i)]**.	1,493.41	999.22
- Current maturity of term loans from banks		
Foreign currency term loans (unsecured)		
On syndication basis **[Refer note 18(a)]**	-	986.31
On bilateral basis **[Refer note 18(a)]**	2,769.62	3,605.53
- From banks		
Foreign currency loans		
Preshipment credit (secured) **[Refer note 18(c)]**	2,525.57	5,190.78
Preshipment credit (unsecured) **[Refer note 18(c)]**	407.87	-
Bill discounting with banks (secured) **[Refer note 18(d)]**	12,663.49	13,696.56
Bill discounting with banks (unsecured) **[Refer note 18(d)]**	7,295.82	6,439.44
Rupee loans		
Preshipment credit (secured) **[Refer note 18(c)]**	3,550.00	200.00
Preshipment credit (unsecured) **[Refer note 18(c)]**	400.00	600.00
Bill discounting with banks (unsecured) **[Refer note 18(d)]**	49.32	259.53
Interest accrued but not due on borrowings	269.92	347.10
Total	**31,425.02**	**32,324.47**
Total secured loans	18,739.06	19,087.34
Total unsecured loans	25,506.56	25,268.91
	44,245.62	**44,356.25**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

Changes in liabilities arising from financing activities *

In ₹ Million

Particulars	Current borrowings	Non-current borrowings
Balance as on April 1, 2022	**25,985.37**	**13,006.52**
Net cash flows	(589.94)	4,000.00
Foreign exchange differences	1,298.06	289.04
Regroup from non-current to current	5,278.14	(5,278.14)
Others	352.84	14.36
Balance as on March 31, 2023	**32,324.47**	**12,031.78**
Net cash flows	(4,614.55)	4,999.99
Foreign exchange differences	(547.07)	38.96
Regroup from non-current to current	4,259.56	(4,259.55)
Others	2.61	9.42
Balance as on March 31, 2024	**31,425.02**	**12,820.60**

* For details relating to lease liabilities refer note 35(a).

(a) Foreign currency term loans

Foreign currency term loans on syndicated and bilateral basis (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, 2024		As at March 31, 2023	
	USD in Million	In ₹ Million	USD in Million	In ₹ Million
From				
- August 2021 (Yearly installment over 3 years)	-	-	12.00	986.31
- October 2021 (Yearly installment over 3 years)	-	-	20.00	1,643.85
- December 2022 (18 months installment over 3 years)	32.00	2,664.32	32.00	2,630.16
	EUR in Million	In ₹ Million	EUR in Million	In ₹ Million
- May 2022 (Yearly installment over 3 years)	16.00	1,438.07	28.00	2,505.58
- February 2020 (Yearly installment over 5 years)	-	-	10.00	894.85
Total		**4,102.39**		**8,660.75**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

(a) (i) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.97% p.a.**
The 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 a 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, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- August 2023 (Yearly installment over 3 years)	4,000.00	5,000.00

(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.

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, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
On		
- April 2025	2,000.00	2,000.00

(a) (iii) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 7.80% p.a.**
During the current year, the 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 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, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
On		
- April 2027	1,250.00	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

(b) (i) **Rupee term loan (unsecured)**
During the Financial year 2022-23, the Company has availed the term loan of ₹ 2,000 million @ 5.90% p.a. from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- April 2025 (Yearly installment over 3 years)	2,000.00	2,000.00

(b) (ii) **Rupee term loan (unsecured)**
During the current year, the Company has availed the term loan of ₹ 3,750 million @ 3 Month T-Bill + 95 bps from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- February 2027 (Yearly installment over 3 years)	3,749.99	-

(c) **Preshipment 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.

Preshipment credit - foreign currency (secured and unsecured) is repayable within 90 days to 180 days and carries interest @ SOFR + 55 bps to SOFR + 150 bps p.a.

(d) **Bill discounting with banks**
The loan is secured against hypothecation of inventories **(refer note 11)** and trade receivables **(refer note 12)**.

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 + 130 bps p.a. & EURIBOR + 55 bps to EURIBOR + 130 bps p.a. respectively.

(e) **Loans availed for specific purpose and their utilisation for specified purpose:**
During the year ended March 31, 2024, the Company has 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 have been partially utilised for the intended purpose and the balance amount has been parked in a designated bank account. Proceeds from non convertible debentures pending utilisation have been parked in fixed deposit with a bank.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

(f) **Working capital facilities and statements filed with bank**

The Company has availed working capital facilities from banks in the form of preshipment credit, bill discounting 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 accounts of the Company.

The Company has been sanctioned a fund based limit of ₹34,080 million and non-fund based limit of ₹ 7,250 million as on March 31, 2024 and (fund based limit of ₹ 34,080 million and non-fund based limit of ₹ 7,250 million as on March 31, 2023) in respect of working capital facilities by its bankers.

(g) A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). During the previous year, the Company's working capital borrowings denominated in USD were earmarked to new benchmark rate i.e. SOFR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). As at March 31, 2023, the Company's Foreign Currency Term loans denominated in USD are indexed to US dollar LIBOR. During the year the benchmark for the instrument changed from USD LIBOR to SOFR post June 30, 2023 as announced by the Financial Conduct Authority (FCA). There is no material impact on company's finance cost consequent to such change in index.

(h) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

19. OTHER FINANCIAL LIABILITIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Other non-current financial liabilities		
Voluntary retirement scheme compensation (at amortised cost)	115.82	273.12
Security deposits	1.87	117.97
Total	**117.69**	**391.09**
Other current financial liabilities at amortised cost		
Payables for capital goods	422.43	260.27
Security deposits	200.64	81.10
Directors commission	7.50	7.00
Investor Education and Protection Fund (as and when due) #		
- Unpaid dividend	35.16	38.00
- Unpaid matured deposits	0.04	0.04
Voluntary retirement scheme compensation	168.49	239.68
Total	**834.26**	**626.09**

The Company has declared interim as well as final dividend 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, 2023: ₹ 0.55 million) has been pending over the period. 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 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).

Notes to Standalone Financial Statements

for the year ended March 31, 2024

19. OTHER FINANCIAL LIABILITIES (CONTD.)

19(A). DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	7.79	146.08
Total	**7.79**	**146.08**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	9.32	41.80
Total	**9.32**	**41.80**

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).

20. PROVISIONS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for gratuity **[Refer note 37(a)]**	126.93	68.44
Provision for special gratuity **[Refer note 37(b)]**	186.64	148.05
Provision for pension and similar obligation **[Refer note 37(d) and 39(ii)(18)]**.	223.98	-
Provision for employees' provident fund **[Refer note 37(c)]**	0.30	3.78
Total	**537.85**	**220.27**
Current		
Provision for gratuity **[Refer note 37(a)]**	120.00	110.00
Provision for special gratuity **[Refer note 37(b)]**	11.70	19.47
Provision for leave benefits	381.87	340.73
Provision for pension and similar obligation **[Refer note 37(d) and 39(ii)(18)]**	12.53	-
Provision for warranties*	456.01	-
Total	**982.11**	**470.20**

*Provision for warranties

Provision for assurance type warranties predominantly cover risk arising from expected claims for damages on the products sold by the Company, based on 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, 2024	As at March 31, 2023
At the beginning of the year	-	-
Arising during the year	456.01	-
Utilised during the year	-	-
At the end of the year	**456.01**	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

21. INCOME AND DEFERRED TAXES

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss:

Profit and loss section

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax:		
Current income tax charge	5,122.00	3,759.26
Tax for prior years	(161.10)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(258.16)	(386.53)
Income tax expense reported in the statement of profit and loss	**4,702.74**	**3,372.73**

OCI section

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax related to items recognised in OCI:		
Net Gain/(Loss) on revaluation of cash flow hedges	34.43	(528.27)
Net Gain/(Loss) on re-measurement of defined benefit plans	(34.51)	27.04
Net Gain/(Loss) on FVTOCI equity securities	(218.35)	-
Income tax charged to OCI	**(218.43)**	**(501.23)**

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for year ended March 31, 2024 and March 31, 2023

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax from operations	18,952.31	13,827.47
Applicable income tax rate of 25.168% (March 31, 2023: 25.168%)	4,769.92	3,480.10
Exceptional items not deductible	33.56	(10.07)
Other disallowances	60.36	1.44
Adjustment in respect of reversal of income tax expense of earlier years	(161.10)	(98.74)
At the effective income tax rate of 24.81% (March 31, 2023: 24.39%)	**4,702.74**	**3,372.73**
Income tax expense reported in the statement of profit and loss	**4,702.74**	**3,372.73**

Major components of deferred tax as at March 31, 2024 and March 31, 2023:

Deferred tax liability (net)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability		
Property, plant and equipment and intangible assets	1,608.17	1,801.81
Fair valuation of cash flow hedges	452.76	418.34
Fair valuation of FVTOCI equity securities	227.78	446.12
Carried over	2,288.71	2,667.27

Notes to Standalone Financial Statements

for the year ended March 31, 2024

21. INCOME AND DEFERRED TAXES (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Brought over	2,288.71	2,667.27
Right-of-use Assets related	755.14	-
Temporary differences in accounting treatment as required by Income tax standards	207.21	983.31
Total Deferred Tax Liability:	**3,251.06**	**3,649.58**
Deferred Tax Asset		
Lease liabilities related	(832.93)	-
Temporary differences in accounting treatment as required by Income tax standards	(894.60)	(1,649.46)
Total Deferred Tax Asset:	**(1,727.53)**	**(1,649.46)**

Refer Note: Changes in accounting policies and new and amended standards- (b) Ind-AS 12: Income Taxes

Major components of deferred tax for the year ended March 31, 2024 and March 31, 2023:

Deferred tax expense/(income)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	(193.64)	(161.56)
Temporary differences in accounting treatment as required by Income tax standards	(64.52)	(224.97)
Deferred tax expense	**(258.16)**	**(386.53)**

Reflected in the balance sheet as follows

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	(1,727.53)	(1,649.46)
Deferred tax liabilities	3,251.06	3,649.58
Deferred tax liabilities (net)	**1,523.53**	**2,000.12**

Reconciliation of deferred tax liabilities (net)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	2,000.12	2,887.88
Tax expense/(income) during the period recognised in profit or loss	(258.16)	(386.53)
Tax expense/(income) during the period recognised in OCI	(218.43)	(501.23)
Closing balance	**1,523.53**	**2,000.12**

During the years ended March 31, 2024 and March 31, 2023, 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, 2024

22. TRADE PAYABLES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
Dues to micro enterprises and small enterprises **[Refer note 43]**	66.34	63.70
Dues to other than micro enterprises and small enterprises (including related parties payables)	12,804.82	12,063.04
Total	**12,871.16**	**12,126.74**

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 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 39.

The above amount of trade payables is net off certain advances given to suppliers (Related parties) amounting to ₹ 720 million (March 31, 2023: ₹ 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, 2024

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)	-	58.66	7.68	-	-	-	66.34
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,023.39	6,577.12	3,372.98	334.00	206.50	290.83	12,804.82
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	**2,023.39**	**6,635.78**	**3,380.66**	**334.00**	**206.50**	**290.83**	**12,871.16**

*Unbilled represents accrual for expenses

Notes to Standalone Financial Statements

for the year ended March 31, 2024

22. TRADE PAYABLES (CONTD.)

As at March 31, 2023

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)	-	57.53	6.17	-	-	-	63.70
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,308.97	7,362.26	1,942.56	160.76	125.72	162.77	12,063.04
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	**2,308.97**	**7,419.79**	**1,948.73**	**160.76**	**125.72**	**162.77**	**12,126.74**

*Unbilled represents accrual for expenses

23. OTHER LIABILITIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Contract liabilities (advances from customers and deferred revenue)$	877.35	561.26
Employee contributions and recoveries payable	116.55	109.83
Statutory dues payable including tax deducted at source #	372.76	122.13
Others*	11.64	11.22
Total	**1,378.30**	**804.44**

$ 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 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.

Break-up of the financial liabilities at amortised cost

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings **[Refer note 18]**	44,245.62	44,356.25
Lease liabilities **[Refer note 35]**	3,309.47	3,460.47
Other financial liabilities **[Refer note 19]**	951.95	1,017.18
Trade payables **[Refer note 22]**	12,871.16	12,126.74
Total financial liabilities carried at amortised cost	**61,378.20**	**60,960.64**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

24. REVENUE FROM OPERATIONS

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
- Sale of goods	84,321.18	70,858.72
- Tooling income	524.54	308.33
Total sale of products	**84,845.72**	**71,167.05**
Sale of services		
- Job work charges	342.39	316.72
- Service type Warranty	35.67	-
Other operating revenues		
- Manufacturing scrap	3,258.87	3,159.22
- Government grants - export incentives **[Refer note 10]**	1,159.59	1,039.00
- Sale of electricity/REC - Windmills	44.10	45.13
Total	**89,686.34**	**75,727.12**
- Within India	40,403.57	31,224.37
- Outside India	49,282.77	44,502.75
Total Revenue from operations	**89,686.34**	**75,727.12**

Set out below is the amount of revenue recognised from

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts included in contract liabilities at the beginning of the year	298.93	687.93
Performance obligations satisfied (or partially satisfied) in previous year	-	-

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, 2024	Year ended March 31, 2023
Sale of products	84,845.72	71,167.05
Sale of services	378.06	316.72
Manufacturing scrap	3,258.87	3,159.22
Subtotal:	**88,482.65**	**74,642.99**
Add/(less): Adjustments (sales returns, discounts, hedging etc.)	(1,410.50)	(774.01)
Revenue as per contracted price	**87,072.15**	**73,868.98**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

25. OTHER INCOME

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Dividend income from investments	5.67	4.78
Net (loss)/gain on fair valuation of financial instruments (FVTPL)	198.40	(704.76)
Net gain on sale of financial instruments	530.89	1,363.28
Government grants#	69.81	28.93
Liabilities/provisions no longer required written back	61.54	8.35
Interest Income on assets measured at amortised cost:		
- Fixed deposits and others**	316.81	268.17
- Loans to subsidiaries/associates	80.09	181.32
Rent **(Refer note 35(b))**	106.50	64.13
Gain on sale/discard of property, plant and equipment (net)	13.00	45.64
Miscellaneous income	240.70	245.12
Total	**1,623.41**	**1,504.96**

Includes government grant on pre-shipment credit and bill discounting where the Company has availed the benefit of interest equalisation scheme of the Reserve Bank of India. Interest on borrowings is accounted for on 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, 2024	Year ended March 31, 2023
Inventory at the beginning of the year **[Refer note 11]**	4,731.10	3,810.45
Add: Purchases	38,892.12	34,427.24
Less: Inventory as at end of the year **[Refer note 11]**	4,812.52	4,731.10
Cost of raw materials and components consumed Total	**38,810.70**	**33,506.59**

27. (INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, DIES AND SCRAP

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the end of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	5,085.99	4,383.56
Finished goods [includes items lying with third parties and items in transit]	2,057.15	2,246.01
Dies and dies under fabrication	265.97	216.59
Scrap	77.44	130.68
	7,486.55	**6,976.84**
Inventories at the beginning of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	4,383.56	3,935.29
Finished goods [includes items lying with third parties and items in transit]	2,246.01	2,122.80
Dies and dies under fabrication	216.59	166.88
Scrap	130.68	78.74
	6,976.84	**6,303.71**
Total	**(509.71)**	**(673.13)**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

28. EMPLOYEE BENEFITS EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus (including managing and whole time director's remuneration) **[Refer note 37 (d)]**	5,199.63	4,683.64
Contributions to provident and other funds/scheme **[Refer note 37(a) and 37(b)]**	308.54	284.14
Staff welfare expenses	506.30	462.28
Total	**6,014.47**	**5,430.06**

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The draft rules have been released by The Ministry of Labour and Employment on November 13, 2020. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

29. FINANCE COSTS

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on bank facilities under amortised cost method	2,495.74	1,657.69
Exchange differences regarded as an adjustment to borrowing costs *	14.29	250.03
Interest on lease liabilities **[Refer note 35]**	305.59	220.32
Others #	58.50	(1.15)
Total	**2,874.12**	**2,126.89**

* 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 expense on defined benefit plans **[Refer note 37]** etc.

30. DEPRECIATION AND AMORTISATION EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment **[Refer note 3]**	4,108.14	3,999.14
Amortisation on intangible assets **[Refer note 5]**	47.44	66.37
Depreciation on right-of-use assets **[Refer note 35]**	264.84	194.06
Total	**4,420.42**	**4,259.57**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

31. OTHER EXPENSES

In ₹ Million

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores, spares and tools		4,107.95	3,523.89
Machining/subcontracting charges		2,832.24	2,270.08
Power, fuel and water	4,579.44		4,837.82
Less: Credit for energy generated	77.03		64.69
		4,502.41	**4,773.13**
Repairs and maintenance			
- Building repairs and road maintenance		122.64	130.81
- Plant and machinery		802.00	632.28
Contract labour charges		1,115.99	840.84
Rent **[Refer note 35]**		12.87	11.23
Rates and taxes		47.94	52.81
Insurance		104.82	114.42
CSR expenditure **[Refer note 45]**		207.91	160.50
Legal and professional fees		1,353.77	1,054.41
Commission		4.06	7.50
Donations		4.62	1.25
Packing material		1,226.77	1,127.62
Freight forwarding charges		1,256.27	1,211.93
Directors' fees and travelling expenses		8.63	5.36
Commission to directors other than managing and whole time directors		7.50	7.00
Provision for doubtful debts and advances (including expected credit losses)		50.00	61.78
Bad debts/advances written off		-	5.27
Exchange difference (net)		(90.34)	167.98
Payment to auditors **[Refer note 31(a)]**		29.89	25.74
Miscellaneous expenses **		2,885.17	2,166.67
	Total	**20,593.11**	**18,352.50**

** Miscellaneous expenses includes travelling expenses, printing, stationery, postage, telephone, royalty, warranty etc.

(a) Payment to auditors

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As auditor:		
- Audit fee	13.45	12.46
- Limited review*	8.06	7.88
- Others (including certification fees)*	6.87	4.27
Reimbursement of expenses*	1.51	1.13
Total	**29.89**	**25.74**

*Includes expenditure of ₹ Nil million (March 2023: ₹ 5.52 million) related to erstwhile auditors

Notes to Standalone Financial Statements

for the year ended March 31, 2024

31. OTHER EXPENSES (CONTD.)

(b) Capitalisation of expenditure

The Company has capitalised the following expenses of revenue nature to the cost of 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, 2024	Year ended March 31, 2023
Interest on bank facilities	2.48	24.53
Salaries, wages and bonus	35.37	27.20
Consumption of stores and spares and loose tools	3.33	2.83
Others	3.53	3.10
Total	**44.71**	**57.66**

32. EXCEPTIONAL ITEMS

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Voluntary retirement scheme compensation **(Refer note 32(a))**	(20.98)	(442.12)
Gain on transfer of Shares of Analogic to KSSL **[(Refer note 32(b)]**	-	42.81
Loss on transfer of Shares of Aeron to KSSL **[(Refer note 32(c)]**	-	(2.82)
Provision for impairment in value of investment in subsidiary **[Refer note 32(d)]**	(133.35)	-
Total	**(154.33)**	**(402.13)**

(a) During the previous year, the Company announced Voluntary Retirement Schemes (VRS) on April 28, 2022, and January 13, 2023 for its permanent eligible employees who have attained 40 years of age and have completed 10 years of service with the Company. The scheme announced on January 13, 2023 is extended until May 31, 2024, and the amount of expenditure under these schemes is disclosed as an exceptional item.

(b) Gain on transfer of shares of Analogic Controls India Limited to Kalyani Strategic Systems Limited

During the previous year, the Company had transferred shares of its subsidiary Analogic Controls India Limited to its another subsidiary, Kalyani Strategic Systems Limited. The Company had recognised surplus on transfer of this investment and the resultant reversal of impairment provision amounting to ₹ 42.81 million as exceptional item.

(c) Loss on transfer of shares of Aeron Systems Private Limited to Kalyani Strategic Systems Limited

During previous the year, the Company had transferred shares of its associate Aeron Systems Private Limited to Kalyani Strategic Systems Limited at its fair value. Loss on transfer of shares has been recorded as an exceptional item.

(d) BF Infrastructure Limited (BFIL)

During the current year, the Company has made provision for impairment in value of investment of ₹ 133.35 million in investment in equity instruments of BFIL. The provision is recognised as an exceptional item in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI reserve	Foreign currency monetary items translation difference account	Retained earnings	Income tax/ Deferred tax effect	Total
Currency forward contracts	1,360.82	-	-	-	(342.49)	1,018.33
Reclassified to statement of (profit) or loss	(1,224.03)	-	-	-	308.06	(915.97)
Gain/(loss) on FVTOCI financial assets	-	(2,055.12)	-	-	218.35	(1,836.77)
Re-measurement gains/(losses) on defined benefit plans	-	-	-	(137.13)	34.51	(102.62)
Total	**136.79**	**(2,055.12)**	**-**	**(137.13)**	**218.43**	**(1,837.03)**

During the year ended March 31, 2023

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI reserve	Foreign currency monetary items translation difference account	Retained earnings	Income tax/ Deferred tax effect	Total
Currency forward contracts	(725.37)	-	-	-	182.56	(542.81)
Reclassified to statement of (profit) or loss	(1,373.62)	-	-	-	345.71	(1,027.91)
Gain/(loss) on FVTOCI financial assets	-	242.59	-	-	(11.49)	231.10
Re-measurement gains/(losses) on defined benefit plans	-	-	-	61.79	(15.55)	46.24
Total	(2,098.99)	242.59	-	61.79	501.23	(1,293.38)

34. EARNINGS PER EQUITY SHARE (EPS)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Numerator for basic and diluted EPS			
Net profit after tax attributable to shareholders (in ₹ million)	**(A)**	14,249.57	10,454.74
Denominator for basic EPS			
Weighted average number of equity shares for basic EPS	**(B)**	465,588,632	465,588,632
Denominator for diluted EPS			
Weighted average number of equity shares for diluted EPS	**(C)**	465,588,632	465,588,632
Basic earnings per share of face value of ₹ 2/- each (in ₹)	**(A/B)**	30.60	22.45
Diluted earnings per share of face value of ₹ 2/- each (in ₹)	**(A/C)**	30.60	22.45

Notes to Standalone Financial Statements

for the year ended March 31, 2024

35. LEASES

(a) Company as lessee

The Company has lease contracts for 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 of various assets with lease terms of 12 months or less and leases of 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, 2022	65.28	1,689.85	430.67	2,185.80
Additions	-	1,380.75	0.61	1,381.36
Disposals	-	-	(44.75)	(44.75)
Depreciation	(0.79)	(147.58)	(45.69)	(194.06)
As at March 31, 2023	**64.49**	**2,923.02**	**340.84**	**3,328.35**
Additions	-	-	0.60	0.60
Disposals	(0.02)	-	-	(0.02)
Depreciation	(0.79)	(223.80)	(40.25)	(264.84)
As at March 31, 2024	**63.68**	**2,699.22**	**301.19**	**3,064.09**

Below are the carrying amounts of lease liabilities and the movements during the year:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	**3,460.48**	**2,248.67**
Additions	0.60	1,381.36
Disposals	-	(55.32)
Accretion of Interest	305.59	220.32
Payments	(457.20)	(334.55)
Closing Balance	**3,309.47**	**3,460.48**
Current	169.91	151.26
Non Current	3,139.56	3,309.21

The maturity analysis of lease liabilities are disclosed in Note 53.

The effective interest rate for lease liabilities is between 8.40% and 9.35% p.a. (March 31, 2023: 8.40% to 9.35% p.a.)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

35. LEASES (CONTD.)

(a) Company as lessee (Contd.)

The following are the amounts recognised in statement of profit and loss:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	264.84	194.06
Interest expense on lease liabilities	305.59	220.32
Expense relating to short-term leases and low value leases (included in other expenses)	12.87	11.23
Total amount recognised in profit or loss	**583.30**	**425.61**

The Company had total cash outflows for leases of ₹ 457.20 million (March 31, 2023: ₹ 334.55 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 0.61 million (March 31, 2023: ₹ 1,381.36 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/arrangement in the nature of lease/sub-lease agreement with different lessees for the purpose of land and building. These are generally in the nature of operating lease. Period of agreements/arrangement are generally for three years to twenty five years and cancellable with a notice of thirty days to six months and renewal at the options of the lessee/lessor.

Future minimum rentals receivable under operating leases are as follows:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Within one year	85.12	73.36
After one year but not more than five years	275.95	232.23
More than five years	60.28	68.71
Total	**421.35**	**374.30**

36. SEGMENT INFORMATION

In accordance with paragraph 4 of 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, 2024

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 Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. An 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. In case of certain category of employees who have completed 10 years of service, gratuity is calculated based on 30 days salary (last drawn) for each completed year of service and cap for gratuity is 20 years. The scheme is funded with insurance companies in the form of qualifying insurance policies.

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 which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with 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 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 defined benefit payments resulting in a higher present value of liabilities especially 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 (majorly 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 the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are 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.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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 is shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.50%
Expected rate of return on plan assets	7.50%	7.20%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)*	10.79*	11.00*
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 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, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the period	1,314.51	1,216.31
Interest expense	93.90	85.92
Current service cost	82.11	78.25
Benefits paid	(125.14)	(45.90)
Remeasurements on obligation [actuarial (gain)/loss]	86.25	(20.07)
Closing defined benefit obligation	**1,451.63**	**1,314.51**

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	1,136.07	992.39
Interest income	85.11	73.77
Contributions	122.50	110.28
Benefits paid	(125.13)	(45.90)
Remeasurements- Return on plan assets, excluding amount included in Interest Income	(13.85)	5.53
Closing fair value of plan assets	**1,204.70**	**1,136.07**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (Contd.)

Net interest expense/(income)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expense on defined benefit obligation	93.90	85.92
Interest (income) on plan assets	(85.11)	(73.77)
Net interest expense for the period	**8.79**	**12.15**

Remeasurements for the period [actuarial (gain)/loss]

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Experience (gain)/loss on plan liabilities	53.94	9.76
Financial (gain)/loss on plan liabilities	32.30	(29.83)
Experience (gain)/loss on plan assets	17.25	(2.46)
Financial (gain)/loss on plan assets	(3.40)	(3.07)

Amount recognised in statement of other comprehensive income (OCI)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement (gain)/loss for the period on defined benefit obligation		
(Gain)/loss on plan liabilities due to experience assumptions	53.94	9.76
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	32.30	(29.83)
Remeasurement (gain)/loss for the period on plan asset		
(Gain)/loss on plan assets due to experience assumptions	17.25	(2.46)
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	(3.40)	(3.07)
Total remeasurement cost for the period recognised in OCI	**100.09**	**(25.60)**

The amounts to be recognised in the balance sheet

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation	(1,451.63)	(1,314.51)
Fair value of plan assets	1,204.70	1,136.07
Net asset/(liability) to be recognised in the balance sheet	**(246.93)**	**(178.44)**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (Contd.)

Expense recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost **(refer note 28)**	82.11	78.25
Net interest expense **(refer note 29)**	8.79	12.15
Net periodic benefit cost recognised in the statement of profit and loss	**90.90**	**90.40**

Reconciliation of net asset/(liability) recognised:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the period	(178.44)	(223.92)
Company's contributions	122.50	110.28
Expense recognised for the year	(90.90)	(90.40)
Amount recognised in OCI	(100.09)	25.60
Net asset/(liability) recognised at the end of the period	**(246.93)**	**(178.44)**

The Company expects to contribute ₹ 120.00 million to gratuity fund in the next year (March 31, 2023: ₹ 110.00 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, 2024	As at March 31, 2023
Funds managed by insurer	**100.00%**	**100.00%**

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligations

In ₹ Million

Discount rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	1,575.35	1,418.46
Increase by 1%	1,346.39	1,222.90

B) Impact of change in rate of increase in compensation levels on defined benefit obligation

In ₹ Million

Rate of increase in compensation levels	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	1,356.87	1,231.55
Increase by 1%	1,560.75	1,406.45

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (Contd.)

C) Impact of change in withdrawal rate when base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Withdrawal rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	1,458.63	1,317.48
Increase by 1%	1,448.60	1,312.46

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 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, 2024	As at March 31, 2023
Within one year	210.48	257.97
After one year but not more than five years	474.27	408.15
After five years but not more than ten years	739.13	654.88

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.49 years (March 31, 2023: 10.59 years).

(b) Special gratuity

The 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 salary of specified months based on last drawn basic salary. The scheme is unfunded.

1) Liability risks

a) **Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with 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 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 defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (Contd.)

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, 2024	Year ended March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.50%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)*	11.49*	11.82*
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%
Age above 50 years	5.00%	5.00%

* It is 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, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the period	167.52	180.90
Interest expense	12.10	12.58
Current service cost	0.12	3.38
Benefits paid	(12.44)	(12.23)
Remeasurements on obligation [actuarial (gain)/loss]	31.04	(17.11)
Closing defined benefit obligation	**198.34**	**167.52**

Net Interest Expense/(Income)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on defined benefit obligation	12.10	12.58
Net interest expense for the period	**12.10**	**12.58**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (Contd.)

Remeasurements for the period

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Experience (gain)/loss on plan liabilities	24.82	(11.87)
Demographic loss on plan liabilities	-	-
Financial (gain)/loss on plan liabilities	6.22	(5.24)

Amount recognised in statement of other comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurement for the period-obligation (gain)/loss		
(Gain)/loss on plan liabilities due to experience assumptions	24.82	(11.87)
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	6.22	(5.24)
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	**31.04**	**(17.11)**

The amounts to be recognised in the balance sheet

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the end of the period	(198.34)	(167.52)
Fair value of plan assets as at the end of the period	-	-
Net asset/(liability) to be recognised in the balance sheet	**(198.34)**	**(167.52)**

Expense recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost **(Refer note 28)**	0.12	3.38
Past service cost	-	-
Net interest expense **(Refer note 29)**	12.10	12.58
Net periodic benefit cost recognised in the statement of profit and loss	**12.22**	**15.96**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (Contd.)

Reconciliation of net asset/(liability) recognised:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the period	(167.52)	(180.90)
Company's contributions	-	-
Benefits directly paid by Company	12.44	12.23
Expense recognised for the year	(12.22)	(15.96)
Amount recognised in OCI	(31.04)	17.11
Net asset/(liability) recognised at the end of the period	**(198.34)**	**(167.52)**

The following are the expected benefit payments to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	11.70	19.47
After one year but not more than five years	60.58	48.68
After five years but not more than ten years	107.43	90.09

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 12.68 years (March 31, 2023: 12.75 years)

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Discount rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 1%	221.32	186.02
Increase by 1%	178.68	151.74

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, 2024	Year ended March 31, 2023
Decrease by 1%	180.15	152.88
Increase by 1%	219.02	184.29

C) Impact of change in withdrawal rate when base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Withdrawal rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 1%	197.99	166.78
Increase by 1%	198.65	168.17

Notes to Standalone Financial Statements

for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

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, 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 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 which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with 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 result in higher future defined benefit payments resulting in a higher present value of liabilities especially 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 (majorly 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 the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are taken care of.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 is shown below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.50%
Interest rate declared by Employees' Provident Fund Organisation for the year	8.25%	8.15%
Yield spread	0.50%	0.50%
Expected rate of return on plan assets	7.50%	7.20%
Expected average remaining working lives of employees (in years)	10.89*	11.10*
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 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, 2024	As at March 31, 2023
Present value of defined benefit obligation at the beginning of the period	3,813.10	3,460.44
Interest cost	274.08	242.93
Current service cost	137.06	95.47
Employee contribution	194.55	150.31
Benefits paid	(317.48)	(172.89)
Remeasurements on obligation [actuarial (gain)/loss]	168.37	36.84
Present value of defined benefit obligation as at the end of the period	**4,269.68**	**3,813.10**

Table showing changes in fair value of plan assets (surplus account)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets as at the beginning of the period (surplus account)	3,809.32	3,430.86
Interest income	286.13	249.65
Employers contribution	134.48	95.47
Employee contribution	194.55	150.31
Benefits paid	(317.48)	(172.89)
Remeasurement- return on plan assets excluding amount included in interest income	162.38	55.92
Fair value of plan assets as at the end of the period (surplus account)	**4,269.38**	**3,809.32**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

C. Provident Fund (Contd.)

Net interest expense/(income)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on defined benefit obligation	274.08	242.93
Interest (income) on plan assets	286.13	249.65
Net Interest Expense/(Income) for the period	**(12.05)**	**(6.72)**

The amounts to be recognised in the balance sheet:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of Provident fund liability as at end of the period	4,269.68	3,813.10
Fair value of the plan assets as at the end of the period (surplus account)	4,269.38	3,809.32
(Deficit)	**(0.30)**	**(3.78)**
Net (liability) recognised in the balance sheet	(0.30)	(3.78)

Amount recognised in statement of other comprehensive income (OCI):

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement (gain)/loss for the period on defined benefit obligation	168.37	36.84
Remeasurement (gain)/loss fo the period on plan assets	(162.38)	(55.92)
Total remeasurement (gain)/loss for the period recognised in OCI	**5.99**	**(19.08)**

Expense recognised in the statement of profit and loss:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost **(refer note 28)**	137.06	95.47
Net interest expense **(refer note 29)**	(12.05)	(6.72)
Net periodic benefit cost recognised in the statement of profit and loss	**125.01**	**88.75**

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased by 50 basis point - present value of obligation

In ₹ Million

Discount rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 0.50%	4,344.43	3,877.73
Increase by 0.50%	4,199.07	3,784.05

Notes to Standalone Financial Statements
for the year ended March 31, 2024

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

C. Provident Fund (Contd.)

B) Impact of change in expected future interest rate on PF when base assumption is decreased/increased by 50 basis point - present value of obligation

In ₹ Million

PF interest rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 0.50%	4,199.18	3,784.05
Increase by 0.50%	4,340.16	3,875.31

(d) Pension and other obligation

The Company has a defined benefit pension and medical reimbursement plan for certain key managerial personnel as approved by the remuneration committee. The plan provides life time 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 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 the 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 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 pension for the Company's plan is shown below:

Particulars	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult
Discount rate	7.20%
Rate of increase in compensation levels	7.00%
Rate of increase in pension	5.50%
Medical inflation rate	14.00%
Expected average remaining working lives (in years)*	13.71*

* It is 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	As at March 31, 2024
Current pension and medical reimbursement obligation expected to be settled in next 12 months	12.53
Pension and medical reimbursement obligation expected to be settled beyond 12 months	223.98
	236.51

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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 base assumption is decreased/increased on defined benefit obligations

In ₹ Million

Discount rate	Year ended March 31, 2024
Decrease by 1%	258.45
Increase by 1%	238.88

B) Impact of change in pension increment rate and salary increment rate when base assumption is decreased/increased on defined benefit obligations

In ₹ Million

Discount rate	Year ended March 31, 2024
Decrease by 1%	217.68
Increase by 1%	257.38

38. CONTINGENT LIABILITIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned guarantee limit of ₹ 7,250 million (March 31, 2023: ₹ 7,250 million) for contracts undertaken by the Company and are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares, book debts, etc.	3,818.07	3,151.26
Claim against the Company not acknowledged as Debts- to the extent ascertained **[(Refer note 38(a)]**	548.03	306.79
Excise/Service tax demands - matters under dispute* **[(Refer note 38(b)]**	129.66	141.27
Customs demands - matters under dispute* **[(Refer note 38(c)]**	64.74	50.97
Income tax demands - matter under dispute **[(Refer note 38(d)]**	54.92	54.92

* Excludes interest and penalty for previous year

(a) The Company is contesting the demands raised pertaining to property tax.

(b) Includes amount pertaining to incentive received under Government schemes, etc.

(c) Includes amount pertaining to classification differences of products, etc.

(d) Includes amount pertaining to matter relating to applicability of TDS

The Company 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 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 the amounts have been accrued, it has not been included above.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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
	Analogic Controls India Limited (Merged with Kalyani Strategic Systems Limited w.e.f March 10, 2023)
	Indigenous IL Limited
	Kalyani Centre For Precision Technology Limited
	Eternus Performance Materials Private Limited
	Kalyani Powertrain Limited
	BF Industrial Solutions Limited
	Kalyani Lightweighting Technology Solutions Limited (w.e.f. July 12, 2022)
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
	Sagar-Manas Technologies Limited
	Ferrovia Transrail Solutions Private Limited (w.e.f. March 02, 2023)
	J S Auto Cast Foundry India Private Limited (w.e.f. July 01, 2022)
	Electroforge Limited
	Lycan Electric Private Limited
	BF Industrial and Technology Solutions Limited
	Zorya Mashproekt India Private Limited (w.e.f. January 24, 2024)
	Sanghvi Europe B.V.
	Tork Motors Private Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2024

39. 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	
Joint ventures	BF NTPC Energy Systems Limited (under liquidation)
	REFU Drive GmbH
Joint venture of a subsidiary	BF Premier Energy Systems Private Limited (struck- off w.e.f. November 25, 2023)
Subsidiary of a Joint venture	Refu Drive India Private Limited
Associates and subsidiaries/associates of associates	Avaada MHVidarbha Private Limited
	Talbahn GmbH
	Aeron Systems Private Limited (upto February 23, 2023)
	Ferrovia Transrail Solutions Private Limited (Upto March 02, 2023)
Related parties with whom transactions have taken place during the period	
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
	United Metachem Private Limited
	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
	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 (formerly known as Kalyani Global Engineering Private Limited)
	KSMS Technologies Solutions Private Limited
	Inmet Technology Solutions Private Limited
	Govalkonda Trading Company Private Limited
	Synise Technologies Limited
	Peach Blossom Investment Private Limited
	Purandhar Trading Company Private Limited
	Meritor HVS (India) Limited
	Raigad Trading Company Private Limited
	Vishalgad Trading Company Private Limited
	SBK Charitable Trust
	Elbit Systems Land And C4I Limited
	TMJ Electric Vehicles Limited
	Radium Merchandise Private Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2024

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (Contd.)

Key management personnel	Mr. B. N. Kalyani (Chairman and Managing Director)
	Mr. A. B. Kalyani (Executive Director and Joint Managing Director)
	Mr. G. K. Agarwal (Executive Director and Deputy Managing Director)
	Mr. B. P. Kalyani (Executive Director)
	Mr. S. E. Tandale (Executive Director)
	Mr. K. M. Saletore (Executive Director & CFO) (upto June 30, 2023)
	Mr. K. P. Dixit (CFO) (w.e.f July 01, 2023)
	Mr. A. B. Ram (Non Executive Director) (w.e.f September 01, 2023)
	Ms. T. R. Chaudhari (Company secretary)
	Mr. P. G. Pawar (Independent Director)
	Mrs. L. D. Gupte (Independent Director)
	Mr. P. H. Ravikumar (Independent Director)
	Mr. V. R. Bhandari (Independent Director)
	Mr. Dipak Mane (Independent Director)
	Mr. Murali Sivaraman (Independent Director)
	Mr. Kanwar Bir Singh Anand (Independent Director) (w.e.f June 27, 2022)
	Mrs. Sonia Singh (Independent Director) (w.e.f June 27, 2022)
Relatives of key management personnel	Smt. S. N. Kalyani
	Mr. G. N. Kalyani
	Mrs. R. G. Kalyani
	Ms. S. G. Kalyani
	Mr. V. G. Kalyani
	Mrs. A. G. Agarwal
	Mrs. S. S. Tandale
	Mrs. S. J. Hiremath
	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

Transactions and balances less than 10% of the total transactions and balances are disclosed as "Others".

Notes to Standalone Financial Statements

for the year ended March 31, 2024

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions

In ₹ Million

Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2024	Year ended March 31, 2023
1	**Purchase of raw materials, components, stores, spares**	**Subsidiaries**		
		Kalyani Powertrain Limited	0.30	5.97
		Kalyani Strategic Systems Limited	13.61	-
		Others	0.29	-
			14.20	**5.97**
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	52.86	77.51
		Others	4.46	4.07
			57.32	**81.58**
		Associate		
		Aeron Systems Private Limited	74.19	1.60
		Joint ventures		
		REFU Drive GmbH	-	0.43
			74.19	**2.03**
		Other related parties		
		Kalyani Steels Limited	5,041.26	6,097.97
		Kalyani Technoforge Limited	540.66	403.22
		Saarloha Advanced Materials Private Limited	14,070.24	15,381.66
		Others	87.35	90.15
			19,739.51	**21,973.00**
			19,885.22	**22,062.58**
2	**Other expenses**			
	- Machining/subcontracting charges	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	568.41	469.92
		Others	1.65	2.33
			570.06	**472.25**
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	19.08	58.00
			19.08	**58.00**
		Other related parties		
		Kalyani Technoforge Limited	98.01	76.13
		Synise Technologies Limited	31.42	-
		KTMS Design and Engineering Private Limited	82.25	-
		Kalyani Transmission Technologies Private Limited	4.47	25.49
		Others	3.56	4.94
			219.71	**106.56**
			808.85	**636.81**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
	- Power, fuel and water	**Associates and subsidiaries of associates**		
		Avaada MHVidarbha Private Limited	169.35	23.39
		Other related parties		
		BF Utilities Limited	57.01	31.79
			226.36	**55.18**
	- Rent*	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	0.04	-
			0.04	**-**
		Step down subsidiaries		
		Kalyani Rafael Advance Systems Private Limited	-	4.05
			-	**4.05**
		Other related parties		
		United Metachem Private Limited	11.01	10.01
		KTMS Properties Company Private Limited	20.58	18.71
		Others	4.54	4.06
			36.13	**32.78**
			36.17	**36.83**
	- Legal and professional fees	**Subsidiaries**		
		Bharat Forge Global Holding GmbH	81.74	126.77
		Bharat Forge America Inc.	117.82	98.63
		Bharat Forge International Limited	-	435.61
		Kalyani Strategic Systems Limited	-	93.30
		Others	2.55	32.71
			202.11	**787.02**
		Step down subsidiaries		
		Bharat Forge Kilsta AB	1.33	2.89
		Tork Motors Private Limited	0.59	-
		Bharat Forge Aluminiumtechnik GmbH	17.90	-
			19.82	**2.89**
		Other related parties		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	222.41	261.78

* The lease arrangements which 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, 2024

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, 2024	Year ended March 31, 2023
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	124.54	30.78
		Others	4.06	4.89
			351.01	**297.45**
			572.94	**1,087.36**
	- Directors' fees and travelling expenses	**Key management personnel**		
		Mr. P. G. Pawar	1.45	0.58
		Mrs. L. D. Gupte	0.73	0.43
		Mr. P. H. Ravikumar	1.19	0.66
		Mr. A. B. Ram	0.22	-
		Mr. V. R. Bhandari	1.50	0.76
		Mr. Dipak Mane	1.39	1.75
		Mr. Murali Sivaraman	0.88	0.46
		Mr. Kanwar Bir Singh Anand	0.59	0.36
		Mrs. Sonia Singh	0.68	0.37
			8.63	**5.37**
	- Commission to directors other than managing	**Key management personnel**		
		Mr. P. G. Pawar	1.55	1.44
		Mrs. L. D. Gupte	0.56	0.56
		Mr. P. H. Ravikumar	1.13	1.13
		Mr. V. R. Bhandari	1.50	1.38
		Mr. D B Mane	0.88	0.75
		Mr. Murali Sivaraman	0.75	0.63
		Mr. Kanwar Bir Singh Anand	0.38	0.38
		Mrs. Sonia Singh	0.50	0.38
		Mr. A. B. Ram	0.25	-
			7.50	**6.65**
	- Miscellaneous expenses	**Subsidiaries**		
		Bharat Forge International Limited	100.43	369.45
		Kalyani Centre For Precision Technology Limited	25.47	-
		Kalyani Strategic Systems Limited	44.31	-
		Others	1.41	9.26
			171.62	**378.71**
		Step down subsidiaries		
		Bharat Forge PMT Technologie LLC	1.92	-
		Bharat Forge Aluminiumtechnik GmbH	67.89	-
		Kalyani Rafael Advance Systems Private Limited	-	0.12
			69.81	**0.12**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
		Other related parties		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	176.27	164.94
		Others	4.51	10.66
			180.78	**175.60**
			422.21	**554.43**
	- Repairs and maintenance	**Other related parties**		
		KTMS Properties Company Private Limited	15.19	13.70
			15.19	**13.70**
			15.19	**13.70**
	- Recovery of freight	**Subsidiaries**		
		Bharat Forge International Limited	573.21	2,795.95
			573.21	**2,795.95**
			2,671.06	**5,192.28**
3	**Sale of goods, manufacturing scrap and (net of returns, rebate etc.)**	**Subsidiaries**		
		Bharat Forge International Limited	29,132.84	29,594.61
		Kalyani Strategic Systems Limited	9,716.09	270.97
		Kalyani Powertrain Limited	29.08	18.69
			38,878.01	**29,884.27**
		Step down Subsidiaries		
		BF Industrial & Technology Solutions Limited	18.48	41.05
		Others	9.06	18.57
			27.54	**59.62**
		Other related parties		
		Automotive Axles Limited	202.81	410.96
		Saarloha Advanced Materials Private Limited	2,992.73	2,864.56
		Others	58.31	42.18
			3,253.85	**3,317.70**
			42,159.40	**33,261.59**
4	**Sale of Services**	**Step down subsidiaries**		
		BF Industrial & Technology Solutions Limited	10.70	11.42
			10.70	**11.42**
		Other related parties		
		Automotive Axles Limited	207.84	182.24
		Saarloha Advanced Materials Private Limited	88.22	70.76

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
		Kalyani Strategic Systems Limited	5.01	-
		Others	1.34	1.10
			302.41	**254.10**
			313.11	**265.52**
5	**Sale of stores, spares and raw materials**	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	6.10	32.74
			6.10	**32.74**
6	**Other income**			
	- Rent	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	34.77	20.29
		Kalyani Powertrain Limited	27.20	-
		Others	1.10	0.40
			63.07	**20.69**
		Other related parties		
		Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)	13.26	14.06
		Kalyani Technoforge Limited	20.07	20.07
		Others	2.82	6.46
			36.15	**40.59**
			99.22	**61.28**
	- Miscellaneous income	**Subsidiaries**		
		Bharat Forge America Inc.	37.72	28.44
		Bharat Forge Global Holding GmbH	0.29	-
			38.01	**28.44**
		Step down subsidiaries		
		Bharat Forge Aluminium USA, Inc.	2.51	32.95
		Others	0.03	10.11
			2.54	**43.06**
			40.55	**71.50**
	- Sale/discard of property, plant and equipments	**Subsidiaries**		
		Kalyani Centre For Precision Technology Limited	-	0.32
			-	**0.32**
		Step-down Subsidiaries		
		Bharat Forge Aluminiumtechnik GmbH	-	37.95
			-	**37.95**
			-	**38.27**
			139.77	**171.05**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
7	**Purchase of property, plant and equipments, intangible assets (including CWIP)**	**Subsidiaries**		
		Kalyani Powertrain Limited	-	37.43
			-	**37.43**
		Other related parties		
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	57.56	-
		Others	0.35	-
			57.91	**-**
			57.91	**37.43**
8	**Finance provided:**			
	- Investment	**Subsidiaries**		
		Bharat Forge America Inc.*	1,248.30	2,888.19
		Kalyani Powertrain Limited**	2,612.85	270.54
		BF Industrial Solutions Limited	622.50	3,497.29
		Bharat Forge Global Holding GmbH	3,157.45	-
		Others	-	243.79
			7,641.10	**6,899.81**
		Associates		
		Avaada MHVidarbha Private Limited	-	113.75
			-	113.75
		Other related parties $		
		TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited)	2,794.23	-
		Khed Economic Infrastructure Private Limited	72.94	162.74
			2,867.17	**162.74**
			10,508.27	**7,176.30**
	- Loans given	**Subsidiaries**		
		Kalyani Powertrain Limited	-	1,074.00
		Bharat Forge America Inc.	999.12	1,721.50
		BF Industrial Solutions Limited	-	100.00
		JS Auto Cast Foundry India Private Limited	-	950.00
		Others	25.80	2.66
			1,024.92	**3,848.16**
			1,024.92	**3,848.16**
			11,533.19	**11,024.46**

* Includes loan given of ₹ 1,949.36 million as on March 31, 2023 which is converted into investment

** Includes loan given of ₹ 1,050 million as on March 31, 2024 which is converted into investment

$ Includes fair valuation impact

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
9	**Sale/Transfer of investment**	**Subsidiaries**		
		Analogic Controls India Limited	-	46.41
			-	**46.41**
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	-	137.18
			-	**137.18**
			-	**183.59**
10	**Recovery of loans given**	**Subsidiaries**		
		BF Industrial Solutions Limited	-	100.00
		JS Auto Cast Foundry India Private Limited	-	835.95
		Others	25.80	164.00
			25.80	**1,099.95**
		Step down subsidiaries		
		Tork Motors Private Limited (w.e.f. November 22, 2021)	-	28.00
			-	**28.00**
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	-	8.00
			-	**8.00**
			25.80	**1,135.95**
12	**Security deposit received**	**Subsidiaries**		
		Kalyani Powertrain Limited	6.11	-
			6.11	**-**
13	**Advance given**	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	-	26.12
		Kalyani Powertrain Limited	220.08	-
		Bharat Forge Global Holding GmbH	-	28.55
			220.08	**54.67**
14	**Advance received**	**Subsidiaries**		
		Kalyani Centre for Precision Technology Limited	-	26.12
		Bharat Forge Global Holding GmbH	-	28.55
			-	**54.67**
15	**Advance given recovered**	**Subsidiaries**		
		Kalyani Powertrain Limited	220.08	-
		Other related parties		
		Saarloha Advanced Materials Private Limited	1,350.00	-
		Khed Economic Infrastructure Private Limited	770.82	-
			2,340.90	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
16	**Capital advance given**	Other related parties		
		KTMS Design and Engineering Private Limited	23.78	-
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	-	44.71
		Others	21.48	-
			45.26	**44.71**
			2,386.16	**44.71**
17	**Interest income**	**Subsidiaries**		
		Bharat Forge America Inc.	12.86	75.76
		Kalyani Powertrain Limited	36.04	47.35
		BF Elbit Advanced Systems Private Limited	16.38	14.68
		JS Auto Cast Foundry India Private Limited	9.82	27.61
		Others	4.99	12.97
			80.09	**178.37**
		Step down subsidiaries		
		Tork Motors Private Limited (w.e.f. November 22, 2021)	-	2.95
			-	**2.95**
		Associates and subsidiaries of associates		
		Others	-	0.63
			-	**0.63**
		Other related parties		
		Kalyani Steels Limited	13.38	-
		Saarloha Advanced Materials Private Limited	42.43	111.38
			55.81	**111.38**
			135.90	**293.33**
18	**Managerial remuneration @@**	**Key management personnel**		
		Mr. B. N. Kalyani	327.98	200.45
		Mr. A. B. Kalyani	71.74	47.15
		Mr. G. K. Agarwal	204.07	45.10
		Mr. S. E. Tandale	55.22	47.41
		Mr. B. P. Kalyani	49.05	43.03
		Mr. K. M. Saletore (upto June 30, 2023)	11.42	31.31
		Mr. K. P. Dixit (w.e.f July 01, 2023)	9.69	-
		Ms. T. R. Chaudhari	4.69	4.29
			733.86	**418.74**

@@ 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
19	**Dividend paid**	**Key management personnel**		
		Mr. B. N. Kalyani	0.63	0.55
		Mr. A. B. Kalyani	5.60	4.90
		Mr. G. K. Agarwal	0.04	0.03
		Mr. B. P. Kalyani	0.05	0.05
		Mr. P. H. Ravikumar	0.05	0.05
		Mr. K. M. Saletore	0.01	0.01
			6.38	**5.59**
		Relatives of key management personnel		
		Mr. G. N. Kalyani	5.52	4.83
		Ms. Sheetal Gaurishankar Kalyani	0.18	0.16
		Mrs. Rohini Gaurishankar Kalyani	0.81	0.71
		Viraj Gaurishankar Kalyani	0.18	0.16
		Others	0.11	0.10
			6.80	**5.96**
			13.18	**11.55**
20	**Reversal of provision for impairment in value of investment**	**Subsidiaries**		
		Analogic Controls India Limited	-	16.55
			-	**16.55**
			-	**16.55**
21	**Provision for impairment in value of investment**	**Subsidiaries**		
		BF Infrastructure Limited	133.36	-
			133.36	**-**
22	**Contributions paid ***	**Post employment benefit trusts**		
		Provident fund		
		Bharat Forge Company Limited Staff Provident Fund	329.03	266.08
			329.03	**266.08**
		Gratuity fund		
		Bharat Forge Company Limited Employees Group Gratuity fund	37.50	32.58
		Bharat Forge Company Limited Officer's Group Gratuity fund	86.59	78.05
			124.09	**110.63**
		Superannuation fund		
		Bharat Forge Company Limited Officer's		
		Superannuation scheme	17.10	16.59
			17.10	**16.59**
			470.22	**393.30**

* For closing balances of above employee benefits Trusts, refer note no.37.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
23	**Guarantees Given/Renewed**	**Subsidiaries**		
		Bharat Forge America Inc.	1,709.91	1,684.95
			1,709.91	**1,684.95**
		Step down subsidiaries		
		Bharat Forge Kilsta AB	-	-
		Bharat Forge Aluminium USA, Inc	1,905.92	1,446.59
			1,905.92	**1,446.59**
			3,615.83	**3,131.54**

(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, 2024	As at March 31, 2023
1	**Trade payables**	**Subsidiaries**		
		Bharat Forge Global Holding GmbH	20.84	16.01
		Bharat Forge International Limited	191.01	-
		Kalyani Centre For Precision Technology Limited	287.87	109.49
		Kalyani Strategic Systems Limited	24.52	-
		Bharat Forge America Inc.	25.61	17.54
		Others	1.13	22.79
			550.98	**165.83**
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	1.95	91.39
		Bharat Forge CDP GmbH	-	10.16
		Others	31.43	10.10
			33.38	**111.65**
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	16.55	-
		Avaada MHVidarbha Private Limited	15.25	7.76
			31.80	**7.76**
		Other related parties		
		Kalyani Steels Limited *	839.64	1,162.44
		Saarloha Advanced Materials Private Limited**	2,331.42	2,513.41
		Kalyani Technoforge Limited	191.54	111.71
		Others	125.08	95.70
			3,487.68	**3,883.26**
			4,103.84	**4,168.50**

* Net of advance given amounting to ₹ 470 million (March 31, 2023: ₹ 470.00 million) **[Refer note 22]**

** Net of advance given amounting to ₹ 250 million (March 31, 2023: ₹ 250.00 million) **[Refer note 22]**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
2	Trade receivables	**Subsidiaries**		
		Bharat Forge International Limited	18,918.11	18,592.84
		Kalyani Strategic Systems Limited	4,217.39	314.18
		Others	70.30	24.19
			23,205.80	**18,931.21**
		Step down subsidiaries		
		Tork Motors Private Limited	23.71	22.74
		Others	13.38	0.89
			37.09	**23.63**
		Other related parties		
		Automotive Axles Limited	135.57	203.95
		Saarloha Advanced Materials Private Limited	919.40	920.82
		Others	23.40	49.08
			1,078.37	**1,173.85**
			24,321.26	**20,128.69**
3	Payables for capital goods	**Other related parties**		
		Kalyani Cleantech Private Limited	0.85	0.49
			0.85	**0.49**
			0.85	**0.49**
4	Non-current investments	**Subsidiaries**		
		Bharat Forge Global Holding GmbH	9,247.05	6,089.60
		Bharat Forge America Inc.	6,892.08	5,643.78
		BF Infrastructure Limited	1,641.55	1,641.55
		Kalyani Powertrain Limited	4,506.64	1,893.79
		BF Industrial Solutions Limited	5,039.79	4,417.29
		Kalyani Strategic Systems Limited	788.34	788.34
		Kalyani Centre For Precision Technology Limited	690.88	690.88
		Others	318.64	318.64
			29,124.97	**21,483.87**
		Joint ventures		
		BF NTPC Energy Systems Limited	33.64	33.64
		REFU Drive GmbH	919.14	919.14
			952.78	**952.78**
		Associates		
		Avaada MHVidarbha Private Limited	113.75	113.75
			113.75	**113.75**
		Other related parties (including fair value)		
		Khed Economic Infrastructure Private Limited	1,060.94	988.00
			1,060.94	**988.00**
			31,252.44	**23,538.40**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
5	Loans given	**Subsidiaries**		
		BF Elbit Advanced Systems Private Limited	174.17	156.67
		Bharat Forge America Inc.	1,000.80	-
		Kalyani Powertrain Limited*	-	1,050.00
		Others	203.91	203.52
			1,378.88	**1,410.19**
			1,378.88	**1,410.19**
6	Recoverable from subsidiaries (net of provision)	**Subsidiaries**		
		Bharat Forge International Limited	168.47	1,716.98
		Others	80.42	15.02
			248.89	**1,732.00**
		Step down subsidiaries		
		Bharat Forge Aluminiumtechnik Gmbh	1.93	98.54
		Bharat Forge CDP GmbH	3.61	-
		Bharat Forge PMT Technologies LLC	1.92	1.41
		BF Industrial Technology & Solutions Limited	5.50	-
		Others	1.34	0.13
			14.30	**100.08**
			263.19	**1,832.08**
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	39.73	39.71
			329.13	**329.11**
			329.13	**329.11**
8	Advance to suppliers	**Subsidiaries**		
		Bharat Forge International Limited	-	49.08
		Others	-	0.03
			-	**49.11**
		Other related parties		
		Saarloha Advanced Materials Private Limited	-	1,350.00
		Others	1.33	0.06
			1.33	**1,350.06**
			1.33	**1,399.17**
9	Interest accrued	**Subsidiaries**		
		Kalyani Powertrain Limited	-	42.35
		Others	0.61	-
			0.61	**42.35**
			0.61	**42.35**

* Of these ₹ 900 million were non current receivable. For more details Refer note 46

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
10	**Advance from customers**	**Other related parties**		
		Automotive Axles Limited	-	12.50
			-	**12.50**
11	**Capital advances**	**Other related parties**		
		Khed Economic Infrastructure Private Limited	1,664.45	2,435.27
		Others	-	66.20
			1,664.45	**2,501.47**
12	**Managerial remuneration payable***	**Key management personnel**		
		Mr. B. N. Kalyani	154.40	41.34
		Mr. A. B. Kalyani	25.61	3.18
		Mr. G. K. Agarwal	152.08	3.00
		Mr. S. E. Tandale	20.91	15.79
		Mr. B. P. Kalyani	19.27	14.75
		Mr. K. M. Saletore	3.39	6.83
			375.66	**84.89**
13	**Commission to directors other than managing and whole time directors**	**Other Directors and Relatives**		
		Mr. P. G. Pawar	1.55	1.44
		Mrs. L. D. Gupte	0.56	0.56
		Mr. P. H. Ravikumar	1.13	1.13
		Mr. V. R. Bhandari	1.50	1.38
		Mr. Dipak Mane	0.88	0.75
		Mr. Murali Sivaraman	0.75	0.63
		Mr. Kanwar Bir Singh Anand	0.38	0.38
		Mrs. Sonia Singh	0.50	0.38
		Mr. A. B. Ram	0.25	-
			7.50	**6.65**
14	**Security deposit received**	**Subsidiaries**		
		Kalyani Powertrain Limited	6.11	-
			6.11	**-**
15	**Provision for impairment in value of investment**	**Subsidiaries**		
		BF Infrastructure Limited	1,488.96	1,355.60
			1,488.96	**1,355.60**
		Joint Ventures		
		BF NTPC Energy Systems Limited	33.64	33.64
			33.64	**33.64**
			1,522.60	**1,389.24**

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
16	**Guarantee given**	**Subsidiaries**		
		Kalyani Strategic Systems Limited	500.00	500.00
		Bharat Forge America Inc.	1,709.91	1,684.95
			2,209.91	**2,184.95**
		Step down subsidiaries		
		Bharat Forge Aluminium USA, Inc	5,913.77	5,223.33
			5,913.77	**5,223.33**
			8,123.68	**7,408.28**

(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, 2024 the Company has not recorded any impairment of receivables relating to amount owed by related parties other than those disclosed separately above (March 31, 2023: ₹ Nil). 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 39.

40. CAPITAL AND OTHER COMMITMENTS

In ₹ Million

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances	3,489.65	1,024.64
(b)	Guarantees given by the Company on behalf of other companies **[(Refer note 40(a)]**		
	Balance outstanding	8,012.05	7,408.28
	(Maximum amount)	(8,123.68)	(8,986.70)
(c)	For commitments relating to lease agreements, please refer note 35		

(a) The 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 Company, for its newly set up plant located at Mambattu, Nellore, Andhra Pradesh for the manufacture of aluminium casting, has 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, 2024; export obligation aggregates to USD 8.81 million (₹ 734.93 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. Non fulfilment of such future obligations, in the manner required, if any entails options/rights to the government to levy penalties under the above referred scheme.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 the shareholder value.

The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a net debt equity ratio, which is net debt divided by equity. The Company's policy is to keep the net debt 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, 2024	As at### March 31, 2023
Borrowings	43,975.70	44,009.15
Less: Cash and other liquid assets	23,662.01	20,671.51
Net debt	20,313.69	23,337.64
Equity	85,687.82	76,068.72
Net debt/equity Ratio	0.24	0.31

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, 2024	As at March 31, 2023
Bharat Forge Global Holding Gmbh*		
Balance outstanding	89.86	89.47
Maximum amount outstanding during the year	91.93	89.47
BF Infrastructure Limited (advance)!		
Balance outstanding	-	-
Maximum amount outstanding during the year	25.80	40.00
BF Elbit Advanced Systems Private Limited*		
Balance outstanding	174.17	156.69
Maximum amount outstanding during the year	174.17	156.69
Kalyani Strategic Systems Limited#		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	50.00
Tork Motors Private Limited@		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	28.00
Saarloha Advanced Materials Private Limited##		
Balance outstanding	-	1,350.00
Maximum amount outstanding during the year	1,350.00	1,350.00
Bharat Forge America Inc.		
Balance outstanding	1,000.80	-
Maximum amount outstanding during the year	1,000.80	1,873.06
Kalyani Centre for Precision Technology Limited**		
Balance outstanding	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

42. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES/ASSOCIATES AND FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Maximum amount outstanding during the year	-	50.00
Aeron Systems Private Limited **		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	8.00
BF Industrial Solutions Limited (formerly Nouveau Power and Infrastructure Private Limited)^^		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	100.00
JS Auto Cast Foundry India Private Limited**		
Balance outstanding	114.05	114.05
Maximum amount outstanding during the year	114.05	950.00
Kalyani Powertrain Limited$$		
Balance outstanding	-	1,050.00
Maximum amount outstanding during the year	1,050.00	1,050.00

* Receivable on demand.

! Amount was receivable after 2 years from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding.

\# Amount was receivable in 12 months from the date of disbursement of loan.

\## Non current advance for continuous supply of goods.

@ Loan tenure was 3 years from the date of disbursement of loan. Quarterly repayment is ₹ 2 million, ₹ 3 million, ₹ 5 million for year 1, 2 and 3 respectively.

** Receivable after 1 year from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding.

$$ Receivable after 1 year and 3 years from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding.

\### Receivables are excluding accrued interest

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-24		31-Mar-23	
	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	264.03	19.14%	246.16	9.00%

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 loan

Notes to Standalone Financial Statements

for the year ended March 31, 2024

43. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED, ACT 2006)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Principal amount due to suppliers under MSMED Act, 2006 *	80.27	63.70
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.29	0.46
Payment made to suppliers (other than interest) beyond the appointed day, during the year	45.80	42.56
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	0.32	0.51
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	5.73	5.44

* Amount includes due and unpaid of ₹ 0.05 million (March 31 2023: Nil)

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.

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, 2024				
RBC Bearings Pvt Ltd	0.02	-	Expense	Vendor*
D J Share Trading Company Pvt Ltd	0.00	-	Dividend	Shareholder*
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder*
Kothari Intergroup Ltd	0.00	-	Dividend	Shareholder*
Aditya Cyber Services And Management Solutions Private Limited	0.00	-	Dividend	Shareholder*
March 31, 2023				
Harinagar Sugar Mills Ltd.	0.72	-	Sales	Customer*
Havinhomes Reality & Consulting Services Private Limited	0.01	-	Expense	Vendor*
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder
Aditya Cyber Services And Management Solutions Private 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 milliion rounding off.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

45. CSR EXPENDITURE

(a) Gross amount required to be spent by the Company during the year

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Gross amount required to be spent by the Company during the year	207.91	160.50

(b) An amount upto ₹ 210.00 million (March 31, 2023: ₹ 160.50 million) was approved by the board towards CSR activities.

(c) Amount spent during the year

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	171.08	131.49
	171.08	**131.49**

(d) For details of CSR expenditure incurred toward related parties, refer note 39.

(e) Details of ongoing projects and 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
2023-24	29.01	6.19	29.01	193.30	156.47	30.76	36.83	4.44
2022-23	25.80	12.12	25.80	134.21	105.20	31.73	29.01	6.19

In case of Sec 135 (5) (Other than Ongoing Projects)

In ₹ Million

	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
2023-24	-	-	14.61	14.61	-
2022-23	-	-	26.29	26.29	-

* Includes administrative overheads of ₹ 6.91 Million (March 31, 2023: ₹ 6.00 Million)

(f) Details of shortfall, cumulative shortfall and reasons for shortfall

During the year ended March 31, 2024, as against required expenditure of ₹ 207.91 million (March 31, 2023: ₹ 160.5 million), the Company has incurred expenditure of ₹ 171.08 million (March 31, 2023: ₹ 131.49 million) and an amount of ₹ 36.83 million (March 31, 2023: ₹ 29.01 million) remained unspent due to phasewise implementation of CSR activities. The unspent amount for the year ended March 31, 2024, has been transferred to the unspent CSR account and the same shall be utilised by the Company in next year for CSR projects undertaken by the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

45. CSR EXPENDITURE (CONTD.)

(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 & waste management), skill development, education, community development & women empowerment, health initiatives (telemedicine setups, cancer screening camps, strengthening of primary healthcare centres), protection of art and culture & promotion of sports

Other than ongoing projects

These include activities related to educational sponsorship, and various rural development initiatives.

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[$$] March 31, 2024	Year ended[$$] March 31, 2023
Bharat Forge Global Holding GmbH [$$]	General corporate purpose [*]	3.50%	89.86	89.47
BF Elbit Advanced Systems Private Limited [$$]	Working Capital purpose [*]	10.00%	174.17	156.69
Saarloha Advanced Materials Private Limited	General corporate purpose [#]	8.25%	-	1,350.00
Bharat Forge America Inc [$$]	General corporate purpose [$]	7.35%	1,000.80	-
JS Auto Cast Foundry India Private Limited	Prepayment of existing term loan from banks[##]	8.50%	64.05	64.05
JS Auto Cast Foundry India Private Limited	General corporate purpose [##]	8.70%	50.00	50.00
Kalyani Powertrain Limited [$$]	General corporate purpose [**]	8.70%	-	1,050.00

* Receivable on demand.

\# Long-term advance was for a period of 4 years.

** Amount was receivable after 3 years, one bullet payment along with interest at the end of the term and ₹ 900 million was receivable after 1 year along with interest at the end of the loan

\## Receivable after 3 years and interest payable 6 monthly from date of disbursement of loan.

$ Receivable after 1 year, one bullet payment along with interest at the end of the term.

$$ Receivables are excluding accrued interest

- All loans are unsecured
- Details of investments made are given in note 6 and note 7

Guarantee given on behalf of

- Bharat Forge America Inc., wholly owned subsidiary company of ₹ 7,623.67 million (March 31, 2023: ₹ 6,908.28 million) for term loan or loans 'towards investment in stepdown subsidiaries.
- Kalyani Strategic Systems Limited, subsidiary company of ₹ 500.00 million (March 31, 2023: ₹ 500.00 million) for availing non-fund based credit facilities from the banks.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES)

For year ended March 31, 2024

Investments

The Company has investments in following subsidiaries for being further invested 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	Bharat Forge America Inc.	February 09, 2024	1,248.30	Bharat Forge Aluminium USA, Inc.	February 09, 2024	1,248.30
2	Kalyani Powertrain Limited	July 11, 2023	801.91	Kalyani Mobility Inc.	September 14, 2023	498.72
					December 22, 2023	83.19
				Electro Forge Limited (Loan given)	December 21, 2023	150.00
					February 01, 2024	20.00
					February 09, 2024	20.00
					March 04, 2024	30.00
3	BF Industrial Solutions Limited	April 21, 2023	622.50	JS Auto cast Foundry India Private Limited	April 21, 2023	622.50

Loans

The Company has given loans to following subsidiaries for being further invested 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 on which loan was given by subsidiary into beneficiary	Amount invested by subsidiary into beneficiary
1	Bharat Forge America Inc.	January 29, 2024	999.12	Bharat Forge Aluminium USA, Inc.	January 29, 2024	999.12

Notes to Standalone Financial Statements

for the year ended March 31, 2024

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

For year ended March 31, 2023

Investments

The Company has investments in following subsidiaries for being further invested 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 on which loan was given by subsidiary into beneficiary	Amount invested by subsidiary into beneficiary
1	Kalyani Powertrain limited	August 19, 2022	270.00	Kalyani Mobility INC	August 19, 2022	263.91
2	BF Industrial Solutions limited	July 01, 2022	3,380.00	Promoters of JS Auto Cast Foundry India Private Limited	July 01, 2022	3,257.31
		October 06, 2022	117.29	Promoters of JS Auto Cast Foundry India Private Limited	October 06, 2022	117.29
3	Bharat Forge America Inc.	April 12, 2022	609.04	Bharat Forge Aluminium USA, Inc.	April 13, 2022	609.04
		June 21, 2022	956.28	Bharat Forge Aluminium USA, Inc.	June 22, 2022	956.28
		September 21, 2022	156.18	Bharat Forge Aluminium USA, Inc.	September 22, 2022	156.18

Loans

The Company has given loans to following subsidiaries for being further invested in step-down subsidiaries of the Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date on which loan was given to subsidiary	Amount invested in Subsidiary	Name of the beneficiary	Date on which loan was given by subsidiary into beneficiary	Amount invested by subsidiary into beneficiary
1	Kalyani Powertrain limited	June 07, 2022	50.00	Tork Motors Private limited	June 08, 2022	50.00

Investment in optionally convertible Debentures

* Amount repaid on the same date

Statement of compliance

With regard to the investments made, loan given and guarantees given during the year ended March 31, 2024 as well as March 31, 2023, the Company has complied with the relevant regulatory provisions.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON 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 Kalyani Powertrain Limited

Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned subsidiary

4 BF Industrial Solutions Limited

Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned subsidiary

5 Tork Motors Pvt Ltd, India

Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down subsidiary

6 Kalyani Mobility Inc.

Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Step-down subsidiary

7 Electro Forge Limited

Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down subsidiary

8 JS Auto Cast Foundry India Private Limited

SF No 165/1 Sembagounden Pudur Kuppepalayam Na Coimbatore - 641107 Tamil Nadu - India

Relationship with the beneficiary: Step-down subsidiary

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,

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024:

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	-	-	1,060.94
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited **[refer note 48 (c)]**	-	-	23.76
TMJ Electric Vehicles Limited (Formerly know as Tevva Motors (Jersey) Ltd)	-	-	9.71
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	454.85	-	-
KPIT Technologies Limited **[refer note 48(b)]**	911.16	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	1,823.40	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited **[refer note 48(a)]**	-	-	-
Derivative instruments at fair value through P&L			
Fair value hedges	-	5.14	-
Derivatives not designated as hedge	-	7.83	-
Unquoted funds			
Investments in private equity fund	-	113.33	-
Investments in mutual funds	-	8,242.18	-
Quoted funds/bonds			
Investments in mutual funds	2,307.02	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	17.11	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

48. FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosure of fair value measurement hierarchy for assets as at March 31, 2023:

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	-	-	988.00
Avaada SataraMH Private Limited	-	-	142.45
Avaada MHBuldhana Private Limited **[refer note 48 (c)]**	-	-	20.34
Tevva Motors (Jersey) Ltd	-	2,803.94	-
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	160.08	-	-
KPIT Technologies Limited **[refer note 48(b)]**	567.09	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	1,893.54	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited **[refer note 48(a)]**	-	-	-
Derivative instruments at fair value through P&L			
Fair value hedges	-	78.49	-
Unquoted funds			
Investments in private equity fund	-	255.92	-
Investments in mutual funds	-	12,492.67	-
Quoted funds/bonds			
Investments in mutual funds	2,570.57	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	187.88	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2024 and March 31, 2023.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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, 2024 and March 31, 2023 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, 2024: ₹ 11.00 million to ₹ 12.60 million/acre (March 31, 2023: ₹ 10.60 million to ₹12.60 million/acre)	5% increase/(decrease) in realisation rate would result in increase/(decrease) in fair value per share by ₹ 1.55 (March 31, 2023: ₹ 1.50)
		Estimated realisation rates for undeveloped land	Not Applicable	
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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

48. FAIR VALUE HIERARCHY (CONTD.)

(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 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 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 into 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. of ₹ 2/- each. The ratio of 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, 2024 and March 31, 2023.

49. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2024; other than those with carrying amounts that are reasonable approximates of fair values:

In ₹ Million

Particulars	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments *	5,892.26	14,102.82	5,892.26	14,102.82
Loans	438.34	1,316.98	438.34	1,316.98
Trade receivables	82.19	113.25	82.19	113.25
Derivative instruments	696.82	646.49	696.82	646.49
Other non-current financial assets	371.77	357.21	371.77	357.21
Total financial assets	**7,481.38**	**16,536.75**	**7,481.38**	**16,536.75**
Borrowings	12,820.60	12,031.78	12,820.60	12,031.78
Lease Liabilities	3,139.56	3,309.21	3,139.56	3,309.21
Derivative instruments	7.79	146.08	7.79	146.08
Other non-current financial liabilities	117.69	391.09	117.69	391.09
Total financial liabilities	**16,085.64**	**15,878.16**	**16,085.64**	**15,878.16**

* 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".

Notes to Standalone Financial Statements

for the year ended March 31, 2024

49. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

The management assessed that the fair value of cash and cash equivalent, trade receivables, derivative instruments, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Further the management assessed that the fair value of security deposits, trade receivables and other non-current receivables approximate their carrying amounts largely due to discounting/expected credit loss at rates which are an approximation of 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 Company based on parameters such as 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 a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the 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), comparable transaction method (Tevva) as well as current market value method (ASPL and AMPL). 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 estimate 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, which employs the use of 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, 2024 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, 2024 and March 31, 2023 was assessed to be insignificant.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

49. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

In ₹ Million

Particulars	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 Tevva Motors (Jersey) Limited
As at April 1, 2022	**142.45**	**825.26**	**20.34**	**2,803.94**
Remeasurement recognised in OCI	-	162.74	-	-
As at March 31, 2023	**142.45**	**988.00**	**20.34**	**2,803.94**
Remeasurement recognised in OCI	23.93	72.94	3.42	(2,794.23)
As at March 31, 2024	**166.38**	**1,060.94**	**23.76**	**9.71**

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 the US Dollar and Euro. These forecast transactions are highly probable.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In ₹ Million

Particulars	March 31, 2024		March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	1,823.40	17.11	1,893.54	187.88

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit and loss. The amounts of outstanding forward contracts are as follows:

In ₹ Million

Nature of instrument	Currency	Purpose	March 31, 2024		March 31, 2023	
			Foreign Currency in Million	In ₹ Million	Foreign Currency in Million	In ₹ Million
Forward Contracts	USD	Hedging of highly probable forecast sales	554.00	48,300.39	621.00	53,742.45
Forward Contracts	EUR	Hedging of highly probable forecast sales	171.50	17,228.45	164.52	16,686.07

The cash flow hedges of the expected future sales during the year ended March 31, 2024 were assessed to be highly effective and a net unrealised (loss)/gain of ₹ 1,798.96 million (March 31, 2023: ₹ 1,662.18 million), with a deferred tax liability of ₹ 452.76 million (March 31, 2023: ₹ 418.34 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, 2024 as detailed in note 33, totaling ₹ 1,224.03 million (gross of deferred tax) (March 31, 2023: ₹ 1,373.62 million). The amounts retained in OCI at March 31, 2024 are expected to mature and affect the statement of profit and loss till the year ended March 31, 2027.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

Fair value hedges

At March 31, 2023, the Company has a cross currency swap agreement in place. During the current year, the company has converted its Rupee Preshipment Credit into USD/EUR. The said agreeement has been entered for interest cost arbitrage.

Also as at March 31, 2024 the Company had certain forward contracts outstanding, which are being used to hedge the exposure to changes in the fair value of its underlying trade receivables.

The impact of the derivative instrument on the balance sheet as at March 31, 2024 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Carrying amount of the asset/(liability) (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2024
Forward Contracts	EUR 4.75	5.14	Derivative instruments	Nil

The impact of the derivative instrument on the balance sheet as at March 31, 2023 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Carrying amount of the asset/(liability) (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2023
Cross currency swap	EUR 10.21	76.42	Derivative instruments	Nil
Cross currency swap	USD 9.73	0.60	Derivative instruments	Nil
Forward Contracts	USD 2.28	1.47	Derivative instruments	Nil

The impact of the hedged item on the balance sheet as at March 31, 2024 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2024
Trade receivables	EUR 4.75	NIL

The impact of the hedged item on the balance sheet as at March 31, 2023 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2023
Current borrowings	USD 12.00	NIL
Current borrowings	INR 800.00	NIL
Trade receivables	USD 2.28	NIL

Notes to Standalone Financial Statements

for the year ended March 31, 2024

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

Derivatives not designated as hedging instruments

The Company has used foreign exchange forward contracts to manage the 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.

At March 31, 2024 the Company has a cross currency swap agreement in place. During the current year, the company has converted its Rupee Preshipment Credit into USD and EURO. For USD swap, under the original agreement, the interest rate was fixed at 7.94% p.a. but due to cross currency swap arrangement the effective interest rate has been fixed at 4.55% p.a. For EURO swap, under the original agreement, the interest rate was fixed at 7.82% p.a. but due to cross currency swap arrangement the effective interest rate has been fixed at 2.76% p.a.

During the current year, the Company has converted two of its Non Convertible Debetures (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 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 EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

The impact of the derivative instrument on the balance sheet as at March 31, 2024 is as follows:

In ₹ Million

Derivative Instrument	Nominal amount (In Million)	Carrying amount of the asset/(liability) (In ₹ Million)	Line item in balance sheet where instrument is disclosed
Cross currency swap	EUR 22.20	1.10	Derivative instruments
Cross currency swap	EUR 6.92	2.03	Derivative instruments
Cross currency swap	EUR 6.92	2.99	Derivative instruments
Cross currency swap	USD 33.13	0.36	Derivative instruments
Cross currency swap	EUR 2.21	1.35	Derivative instruments

The impact of the derivative item on the balance sheet as at March 31, 2024 is as follows:

In ₹ Million

Borrowings	Nominal amount (In Million)	Line item in balance sheet where instrument is disclosed
Non current borrowings	INR 2,000.00	Borrowings
Non current borrowings	INR 625.00	Borrowings
Non current borrowings	INR 625.00	Borrowings
Current borrowings	INR 2,750.00	Borrowings
Current borrowings	INR 200.00	Borrowings

Notes to Standalone Financial Statements

for the year ended March 31, 2024

51. RATIO ANALYSIS AND ITS ELEMENTS

In ₹ Million

	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Note reference for reasons for variance
(a)	Current ratio	Current Assets	Current Liabilities	1.58	1.36	16%	
(b)	Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.52	0.58	-10%	
(c)	Debt Service Coverage ratio	Earnings for debt service	Debt service	2.42	2.42	0%	
(d)	Return on Equity ratio (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	17.52%	14.12%	24%	(1)
(e)	Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.95	2.77	7%	
(f)	Trade Receivable Turnover Ratio	Net credit sales	Average Trade Receivable	2.61	2.64	-1%	
(g)	Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	4.81	4.86	-1%	
(h)	Net Capital Turnover Ratio	Net sales	Working capital	3.20	4.45	-28%	(2)
(i)	Net Profit ratio (%)	Net Profit	Net sales	15.89%	13.81%	15%	
(j)	Return on Capital Employed (%)	Earning before interest and taxes (EBIT)	Capital Employed	16.73%	13.27%	26%	(3)
(k)	Return on Investment (%)	Earning before interest and taxes (EBIT)	Average Shareholder's Equity	27.02%	22.09%	22%	(4)

Notes for movement in ratios

1 Movement in ratio is attributable to higher profits.

2 Decrease in ratio is on account of increase in working capital.

3 Increase in revenue and EBIT resulted into better return on capital

4 Increase in revenue and EBIT resulted into better return on investment.

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 expense + 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 Receivable = (Opening Trade Receivable + Closing Trade Receivable)/2

g Net credit purchases = Gross credit purchases - Purchase return

h Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

i Net sales = Total sales - Sales return

Notes to Standalone Financial Statements

for the year ended March 31, 2024

51. RATIO ANALYSIS AND ITS ELEMENTS (CONTD.)

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

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 that require 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, 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 whether or not 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 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

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 Master service agreement ('MSA') with its customers which define the key terms of the contract with customers. However, the rates and quantities to be supplied is separately agreed through purchase orders. Management has exercised judgement to determine that 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.

b) **Identifying performance obligation**

The Company enters into contract with customers for 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 it 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 input to a combined item in the contract. Hence, the tooling income and the sale of goods are separate performance obligations.

c) **Determination of timing of satisfaction of performance obligation**

The Company concluded that 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 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:

(1) Sale of goods

The goods manufactured are "Build to print" as per 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 the purchase orders obtained from the customer taking into account the just in time production model with 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 identification of the point in time where the tools are deemed to have been accepted by the 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 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 sufficiently reliable estimate of the amount of loss. The filing of a law suit 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 of a loss may be appropriate.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Considering the facts on hand and the current stage of certain ongoing litigations where it stands, the Company foresees 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 when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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 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 Company 'would have to pay', which 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 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 cover risk arising from expected claims for damages on the products sold by the Company, based on 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 period of two years.

Company also provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These are classified as service-type warranties. Refer accounting policy on service type warranty.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for 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 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 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 actual 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 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 for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future 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 value is 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 note 48 and 49 for further disclosures.

6) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about 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 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 expected loss on account of loss in time value of money which is calculated using 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 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 items and net realisable value. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 risk, credit risk and liquidity risk. 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 the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. Further, all the derivative activities for risk management purposes are carried out by experienced members from 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 policies for managing each of these risks, which are summarised as 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, investments in mutual funds, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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 on the basis of hedge designations in place at March 31, 2024 and comparatively as at March 31, 2023. 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 as at March 31, 2024 and March 31, 2023 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 & 5.90% rupee term loan from bank which have a fixed interest rate.

The Company generally borrows in foreign currency, considering natural hedge it has against its export. Long-term and short-term foreign currency debt obligations carry floating interest rates.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company avails short term debt in foreign currency up to tenor of 9 months, in the nature of export financing for its working capital requirements. LIBOR/SOFR 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 Company has availed Rupee term loan with floating interest rate from a bank, which is linked to 3 months T-bill.

The Company 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 Company evaluates the expected benefit from either of 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 by reference to an agreed-upon notional principal amount.

As at March 31 2024, the Company's 45.93% of total long-term borrowings are covered under floating rate of interest (March 31 2023: 49.07%).

Interest rate sensitivity

The Company's total interest cost for the year ended March 31, 2024 was ₹ 2,874.12 million (March 31, 2023: ₹ 2,126.89 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, 2024	March 31, 2023
USD	+/- 50	13.35	21.37
EUR	+50	7.19	21.57
EUR*	-50	-	(21.57)
INR	+/- 50	18.75	-

* During previous financial year, EURIBOR was trading in a negative zone and some Euro borrowings were floored at zero EURIBOR while others were trading at floating EURIBOR. Further Euro borrowings includes USD borrowings swapped into Euro borrowings through cross currency swap.

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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's 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 rolling basis and the Company keep its long-term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Company may hedge its long term borrowing near to the repayment date to avoid rupee volatility in short term.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company avails preshipment credit and export bills 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 Company as of the date of 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, 2024

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assets	21,879.28	5,140.30	399.07	-
Financial liabilities	(23,156.71)	(5,669.91)	(263.85)	(94.38)

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 ₹ 176.62 Million for the year ended March 31, 2024.

The company has not considered net non-current foreign currency loan exposure, being naturally hedged against future unhedged export receivables.

For the investments in subsidiaries, joint ventures and associates being strategic in nature, does 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, 2023:

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assets	22,244.71	7,678.88	533.54	-
Financial liabilities	(22,007.21)	(7,900.08)	(335.68)	(69.89)

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 ₹ 14.43 Million for the year ended March 31, 2023.

The company has not considered net non-current loan exposure in foreign currency, being naturally hedged against future unhedged export receivables.

For the investments in subsidiaries, joint ventures and associates being strategic in nature, does 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 Company negotiates the terms of those derivatives 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company discloses fair value of the outstanding derivative in the financial statements. The impact on the Company's pre-tax equity due to changes in fair value of the outstanding forward contracts as follows:

In ₹ Million

Change in rate	Effect on OCI (in ₹ million)		Effect on net profit (in ₹ million)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD/INR -1	587.13	630.73	-	2.28
EUR/INR -1	214.51	164.52	4.75	-
EUR/USD -0.01	-	Nil	-	8.39

Foreign currency sensitivity

The following tables demonstrate 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 un-hedged 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, 2024	March 31, 2023
USD 1	31.32	26.75
EUR 1	36.14	17.45

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require on-going purchase of steel. Due to significant volatility of the price of steel, the Company has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in 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 the customers. However, in few cases there may be lag effect in case of such pass-through arrangements and might have some effect on 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 is 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 ₹ 1,374.12 million (March 31, 2023: ₹ 4,210.65 million). Sensitivity analysis of major investments have been provided in note 48.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 1,366.01 million (March 31, 2023: ₹ 727.17 million). A increase/decrease of 10% on the NSE market index could have an impact of approximately ₹ 136.60 million (March 31, 2023: ₹ 72.72 million) on the OCI or equity attributable to the Company. These changes would not have an effect on profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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 for 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 Company's investment policy approved by the Board of Directors. Accordingly, increase/decrease in interest rates by 0.25% will have an impact of ₹ 26.37 million (March 31, 2023: ₹ 37.66 million).

Credit risk

Credit risk is the risk that 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 policy, procedures and control 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, 2024, receivable from Company's top 5 customers accounted for approximately 73.73% (March 31, 2023: 68.81%) of all the receivables outstanding. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix (Refer 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 in to homogeneous groups and assessed for impairment collectively. The calculation is based on historical data and 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 Company does not hold collateral as security except in case of 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 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, 2024	% of loss allowance	0.13%	0.78%	3.15%	13.83%	35.19%	97.27%	1.06%
March 31, 2023	% of loss allowance	0.08%	4.97%	5.65%	28.08%	40.09%	24.62%	1.03%

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 regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through 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, 2024 and March 31, 2023 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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 sufficient headroom as determined by the above-mentioned forecasts. At the reporting date, the Company held mutual funds of ₹ 12,283.37 million (March 31, 2023: ₹ 16,691.97 million) and other liquid assets of ₹ 10,420.09 million (March 31, 2023: ₹ 3,979.54 million) that are expected to readily generate cash inflows for managing liquidity risk.

As per the Company's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Company evaluates the option of refinancing entire or part of repayments for 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 sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Company is also maintaining surplus funds with short term liquidity for future repayment of loans.

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, 2024				
Borrowings	31,452.02	12,820.60	-	**44,272.62**
Trade and other payables	12,804.82	-	-	**12,804.82**
Lease liabilities	169.91	808.91	2,330.65	**3,309.47**
Other financial liabilities	834.26	117.69	-	**951.95**
Total	**45,261.01**	**13,747.20**	**2,330.65**	**61,338.86**
March 31, 2023				
Borrowings	32,323.44	12,032.81	-	**44,356.25**
Trade and other payables	12,126.74	-	-	**12,126.74**
Lease liabilities	151.26	755.19	2,554.02	**3,460.47**
Other financial liabilities	626.09	391.09	-	**1,017.18**
Total	**45,227.53**	**13,179.09**	**2,554.02**	**60,960.64**

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 the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA did not issue any accounting standards that were effective on April 1, 2024.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

55. OTHER STATUTORY INFORMATION

a. There is no proceeding initiated or pending against the Company for holding any Benami property under 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 Registrar of Companies beyond the statutory period. With regard to satisfaction of charges, few cases of the company is outstanding with ROC due to technical reasons and the Company is in the process of obtaining no dues certificates from the lenders, which the Company will be filing with the Registrar of Companies for satisfaction of the related charges.

c. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

d. During the year ended March 31, 2024, the Company was not party to any approved scheme which needs approval from competent authority in terms of section 230 to 237 of the Companies Act, 2013.

e. As per 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 softwares for maintaining its 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 respective software's. However the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting software's used for maintaining the books of accounts

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 08, 2024

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

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 2024, 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/consolidated financial statements 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 2024, 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/consolidated financial statements 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 Products

See Note 2.3.F 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. • On a sample basis, we and other auditors tested 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 related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items.

Independent Auditor's Report (Contd.)

Assessment of impairment of Property, Plant and Equipment (PPE), Intangible Assets (IA) and Goodwill in relation to Cash Generating Units (CGU) at certain wholly owned subsidiaries

See Note 2.3.P and Note 3. 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. An annual impairment test is done for those CGUs which include Goodwill. As at 31 March 2024, 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 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 and implementation of controls. • 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/comparable companies or transactions including discount rates, expected growth rates and terminal growth rates and applicable multiples. • Performed sensitivity analysis of key assumptions used to determine which assumptions could change the outcome of impairment assessment. • Involved specialists to assist in evaluating the impairment model, assumptions and estimates, where applicable.

OTHER INFORMATION

The Group'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 reports 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Group'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

Independent Auditor's Report (Contd.)

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 Group, 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 the respective Board of Directors 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.
- 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.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information 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/financial information 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 entity 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 information of 28 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 103,622 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 105,548 million and net cash outflows (net) (before consolidation adjustments) amounting to ₹ 368 million for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose report 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 report of the other auditors.

   One of above subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   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 matters with respect to our reliance on the work done and the reports of the other auditors.

b. The financial information of 5 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 61 million as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 9 million and net cash inflows (net) (before consolidation adjustments) amounting to ₹ 5 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 profit (and other comprehensive loss) of ₹ 53 million for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of three associates and three joint

Independent Auditor's Report (Contd.)

ventures, whose financial information have not been audited by us or by other auditors. This unaudited financial information 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, associate and joint ventures, 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, associate and joint ventures, 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 the 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/consolidated 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 31 March 2024 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 are disqualified as on 31 March 2024 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) and paragraph 2(B)(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 subsidiaries 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/consolidated 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 2024 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

Independent Auditor's Report (Contd.)

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 9 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 delays in depositing ₹ 0.13 million ranging from 4 years to 11 years which is unpaid as at 31 March 2024; or its subsidiary companies incorporated in India during the year ended 31 March 2024.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively 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 information have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively 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 information 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.

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 has 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 as communicated 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. 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.

- In respect of Holding Company and its three 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.

Independent Auditor's Report (Contd.)

- In respect of Holding Company, 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 two subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the application layer 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 one subsidiary company, the feature of recording audit trail (edit log) facility was not enabled at the application layer 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 one subsidiary company, 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.
- In respect of one subsidiary company, the inventory management 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.
- 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 an accounting software used for consolidation by the Holding Company, we are 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 10 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 for the part of the financial year. 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.

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: 24103334BKGEOI9290

Place: Pune
Date: 08 May 2024

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 2024

(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/ 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), (vii) (a)
2	Kalyani Rafael Advanced Systems Private Limited	U29270PN2015PTC156252	Subsidiary	(ii) (b) (vii) (a)
3	Ferrovia Transrail Solutions Private Limited	U45300DL2012PTC239645	Subsidiary	(xvii)
4	Kalyani Strategic Systems Limited	U31902PN2010PLC138025	Subsidiary	(ii) (b) (iii) (c)
5	Sagar Manas Technologies Limited	U29100PN2022PLC209117	Subsidiary	(xvii)
6	Kalyani Powertrain Limited	U29308PN2020PLC194429	Subsidiary	(vii) (a) (xvii)
7	Tork Motors Private Limited	U34104PN2010PTC135855	Subsidiary	(ii) (b) (ix) (d) (xvii)
8	Lycan Electric Private Limited	U50200PN2015PTC156029	Subsidiary	(xi) (a) (xvii)
9	BF Elbit Advanced Systems Private Limited	U29270PN2012PTC144268	Subsidiary	(xvii)
10	BF Industrial Solutions Limited	U29100PN2011PLC138621	Subsidiary	(xvii)
11	Kalyani Lightweighting Technology Solutions Limited	U29299PN2022PLC213002	Subsidiary	(xvii)
12	BF Infrastructure Limited	U45203PN2010PLC136755	Subsidiary	(iii) (f) (xvii)
13	Kalyani Centre for Precision Technology Limited	U29304PN2019PLC188666	Subsidiary	(ii) (b)
14	Electroforge Limited	U31909PN2022PLC213390	Subsidiary	(xvii)

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
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: 24103334BKGEOI9290

Place: Pune
Date: 08 May 2024

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 2024

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 Group") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Group and such company incorporated in India under the Act which is its subsidiary company, 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 2024, 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 Matters 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 MATTERS

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 15 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 two 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 Group.

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: 24103334BKGEOI9290

Place: Pune
Date: 08 May 2024

Consolidated Balance Sheet

as at March 31, 2024

In ₹ Million

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	54,682.73	52,723.01
(b) Capital work-in-progress	3	9,768.61	6,963.86
(c) Investment property	4	2.89	2.89
(d) Goodwill	5	2,959.85	2,954.72
(e) Other intangible assets	5	707.89	816.46
(f) Intangible assets under development	5	143.82	47.75
(g) Right-of-use assets	43	4,740.45	5,112.02
(h) Investment in associates and joint ventures	6	639.27	586.52
(i) Financial assets			
(i) Investments	7	7,595.73	14,601.13
(ii) Loans	8	60.26	56.78
(iii) Trade receivables	12	97.91	113.25
(iv) Derivative instruments	9	827.40	822.17
(v) Other financial assets	10	671.67	570.14
(j) Deferred tax assets (net)	21	1,651.64	1,495.30
(k) Income tax assets (net)		419.81	802.48
(l) Other assets	14	8,366.13	6,153.21
		93,336.06	**93,821.69**
II. Current assets			
(a) Inventories	11	32,160.82	31,262.54
(b) Financial assets			
(i) Investments	7	10,254.78	10,500.56
(ii) Trade receivables	12	31,671.51	30,874.57
(iii) Cash and cash equivalent	13	13,153.10	5,087.13
(iv) Other bank balances	13	3,746.12	5,308.06
(v) Loans	8	201.33	127.02
(vi) Derivative instruments	9	1,148.23	1,325.53
(vii) Other financial assets	10	416.21	734.07
(c) Other assets	14	7,403.02	4,800.70
		100,155.12	**90,020.18**
Total assets		**193,491.18**	**183,841.87**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	931.27	931.27
(b) Other equity	16	70,770.57	66,123.99
Equity attributable to equity holders of the parent		**71,701.84**	**67,055.26**
Non-controlling interests	37	(48.75)	360.72
Total equity		**71,653.09**	**67,415.98**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	18,589.80	17,512.72
(ii) Lease liabilities	43	3,792.56	4,161.77
(iii) Derivative instruments	19a	7.79	146.08
(iv) Other financial liabilities	19	253.09	391.09
(b) Provisions	20	1,806.84	1,411.73
(c) Deferred tax liabilities (net)	21	1,690.49	2,153.27
(d) Other liabilities	23	2,896.43	7,880.66
		29,037.00	**33,657.32**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	56,630.95	51,010.61
(ii) Lease liabilities	43	461.99	447.27
(iii) Trade payables	22		
Dues to micro enterprises and small enterprises		530.22	493.46
Dues to other than micro enterprises and small enterprises		22,091.00	21,019.94
(iv) Derivative instruments	19a	9.32	46.38
(v) Other financial liabilities	19	1,814.41	1,799.44
(b) Other liabilities	23	9,154.05	6,563.98
(c) Provisions	20	1,500.11	901.32
(d) Current tax liabilities (net)		609.04	486.17
		92,801.09	**82,768.57**
Total liabilities		**121,838.09**	**116,425.89**
Total equity and liabilities		**193,491.18**	**183,841.87**

The accompanying notes form an integral part of the 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 08, 2024

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

In ₹ Million

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	24	156,820.71	129,102.59
Other income	25	2,274.24	1,728.57
Total income [i]		**159,094.95**	**130,831.16**
EXPENSES			
Cost of raw materials and components consumed	26	71,383.81	60,649.93
Purchase of traded goods		2,450.17	1,664.03
(Increase) in inventories of finished goods, work-in-progress, traded goods, dies and scrap	27	(42.07)	(2,700.43)
Employee benefit expenses	28	18,599.97	15,631.00
Finance costs	29	4,911.67	2,986.20
Depreciation, amortisation and impairment expenses	30	8,481.97	7,355.86
Other expenses	31	38,849.43	36,182.83
Total expenses [ii]		**144,634.95**	**121,769.42**
Profit before share of profit of associates and joint ventures, exceptional items and tax [i - ii]		**14,460.00**	**9,061.74**
Share of profit/(loss) of associates and joint ventures		65.71	(333.48)
Income tax expense/(credit)		12.56	0.90
Share of profit/(loss) of associates and joint ventures		**53.15**	**(334.38)**
Profit before exceptional items and tax		**14,513.15**	**8,727.36**
Exceptional items (loss)	32	(123.23)	(457.91)
Profit before tax		**14,389.92**	**8,269.45**
Income tax expense	21		
Current tax		5,690.69	3,951.57
Deferred tax (credit)		(402.36)	(765.99)
Income tax expense		**5,288.33**	**3,185.58**
Profit for the year		**9,101.59**	**5,083.87**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) not to be reclassified to profit and loss in subsequent periods (net of tax)			
- Re-measurement (loss)/gain on defined benefit plans	33	(235.82)	358.64
- Net (loss)/gain on FVTOCI equity investments	33	(1,493.84)	242.59
- Share of other comprehensive (loss) of associates and joint ventures	33	(0.38)	(0.89)
		(1,730.04)	**600.34**
Income tax effect	33	283.88	(121.04)
(A)		**(1,446.16)**	**479.30**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024 (Contd.)

In ₹ Million

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Other comprehensive income/(loss) to be reclassified to profit and loss in subsequent periods (net of tax)			
- Net movement on cash flow hedges	33	150.24	(2,103.56)
- Foreign Currency Translation reserve	33	103.50	397.45
		253.74	**(1,706.11)**
Income tax effect	33	(38.81)	529.43
(B)		**214.93**	**(1,176.68)**
Other comprehensive (loss) for the year (net of tax) [A+B]		**(1,231.23)**	**(697.38)**
Total comprehensive income for the year (net of tax)		**7,870.36**	**4,386.49**
Of the total comprehensive income above,			
Attributable to:			
Equityholders of the parent		8,281.33	4,586.54
Non-controlling interests		(410.97)	(200.05)
Of the total comprehensive income above,			
Profit for the year			
Attributable to:			
Equityholders of the parent		9,511.28	5,283.64
Non-controlling interests		(409.69)	(199.77)
Of the total comprehensive income above,			
Other comprehensive (loss) for the year			
Attributable to:			
Equityholders of the parent		(1,229.95)	(697.10)
Non-controlling interests		(1.28)	(0.28)
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2023: ₹ 2/-)]	34		
Basic		20.43	11.35
Diluted		20.43	11.35

The accompanying notes form an integral part of the 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 08, 2024

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2/- each issued, subscribed and fully paid

	No.
As at March 31, 2024	465,588,632
As at March 31, 2023	465,588,632
As at April 1, 2022	465,588,632

(1) For the year ended March 31, 2024

In ₹ Million

Balance as on April 1, 2023	Changes in equity share capital during the current year	Balance as on March 31, 2024
931.27	-	931.27

(2) For the year ended March 31, 2023

In ₹ Million

Balance as on April 1, 2022	Changes in equity share capital during the current year	Balance as on March 31, 2023
931.27	-	931.27

B. OTHER EQUITY

In ₹ Million

Particulars	Attributable to the equity holders of the parent											
	Reserves and Surplus (Refer note 16)					Items of OCI (Refer note 16)						
	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	Sub Total	Non controlling interests	Total
Balance as at April 1, 2023	**6,930.89**	**15.50**	**37.40**	**3,230.48**	**51,140.41**	**1,471.83**	**2,205.25**	**(148.19)**	**1,240.42**	**66,123.99**	**360.72**	**66,484.71**
- Profit/(Loss) for the year	-	-	-	-	9,511.28	-	-	-	-	9,511.28	(409.69)	9,101.59
- Other Comprehensive Income/ (Loss)	-	-	-	-	(169.39)	103.50	(1,275.49)	-	111.43	(1,229.95)	(1.28)	(1,231.23)
- Movement during the year	-	-	-	-	-	-	-	-	-	-	1.50	1.50
- Compensation options granted during the year [Refer note 16 (d)]	-	-	89.96	-	-	-	-	-	-	89.96	-	89.96
	-	**-**	**89.96**	**-**	**9,341.89**	**103.50**	**(1,275.49)**	**-**	**111.43**	**8,371.29**	**(409.47)**	**7,961.82**
Transaction with owners in their capacity as owners												
- Final equity dividend	-	-	-	-	(2,560.74)	-	-	-	-	(2,560.74)	-	(2,560.74)
- Interim equity dividend	-	-	-	-	(1,163.97)	-	-	-	-	(1,163.97)	-	(1,163.97)
Balance as at March 31, 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**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024 (Contd.)

B. OTHER EQUITY (CONTD.)

In ₹ Million

Particulars	Attributable to the equity holders of the parent											
	Reserves and Surplus (Refer note 16)					Items of OCI (Refer note 16)						
	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	Sub Total	Non controlling interests	Total
Balance as at April 1, 2022	**6,930.89**	**15.50**	**16.29**	**3,230.48**	**48,867.41**	**1,074.38**	**1,974.15**	**(148.19)**	**2,814.56**	**64,775.47**	**560.77**	**65,336.24**
- Profit/(Loss) for the year	-	-	-	-	5,283.64	-	-	-	-	5,283.64	(199.77)	5,083.87
- Other Comprehensive Income/(Loss)	-	-	-	-	248.48	397.45	231.10	-	(1,574.14)	(697.11)	(0.28)	(697.39)
- Compensation options granted during the year **[Refer note 16 (d)]**	-	-	21.11	-	-	-	-	-	-	21.11	-	21.11
	-	**-**	**21.11**	**-**	**5,532.12**	**397.45**	**231.10**	**-**	**(1,574.14)**	**4,607.64**	**(200.05)**	**4,407.59**
Transaction with owners in their capacity as owners												
- Final equity dividend	-	-	-	-	(2,560.74)	-	-	-	-	(2,560.74)	-	(2,560.74)
- Interim equity dividend	-	-	-	-	(698.38)	-	-	-	-	(698.38)	-	(698.38)
Balance as at March 31, 2023	**6,930.89**	**15.50**	**37.40**	**3,230.48**	**51,140.41**	**1,471.83**	**2,205.25**	**(148.19)**	**1,240.42**	**66,123.99**	**360.72**	**66,484.71**

The accompanying notes form an integral part of the 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 08, 2024

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Consolidated Cash Flow Statement

for the year ended March 31, 2024

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
OPERATING ACTIVITIES		
Profit after exceptional items & before tax	**14,389.92**	**8,269.45**
Add/(Less): Share of (loss) of associates and joint ventures (net of tax)	**53.15**	**(334.38)**
	14,336.77	**8,603.83**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	8,481.96	7,355.86
Unrealised foreign exchange (gain)/MTM (net)	(249.32)	(412.88)
Interest income	(759.64)	(291.94)
Liabilities/provision no longer required written back	(156.68)	(98.10)
Provision for doubtful debts and advances (net) including expected credit loss	189.75	70.44
Bad debts/advances written off	98.04	72.46
Finance costs	4,911.67	2,986.03
(Gain) on sale of property, plant and equipment (net)	35.67	(42.72)
Dividend income from investment	(5.67)	(5.11)
Non cash insurance claim	(62.53)	-
Net loss/(gain) on sale of financial investments	(646.46)	(1,432.67)
Net loss/(gain) on fair valuation of financial instruments (FVTPL)	(198.46)	654.12
Share based payment expense	89.96	21.11
Operating profit before working capital changes	**26,065.06**	**17,480.43**
Working capital adjustments		
(Increase)/decrease in trade receivables	(1,081.31)	(7,687.58)
(Increase)/decrease in inventories	(855.80)	(3,623.38)
(Increase)/decrease in other financial assets	387.04	247.03
(Increase)/decrease in other assets	(2,072.39)	(1,531.41)
Increase/(decrease) in provisions	708.25	(320.57)
Increase/(decrease) in trade payables	1,294.08	4,338.99
Increase/(decrease) in other financial liabilities	(122.62)	62.51
Increase/(decrease) in other liabilities	(2,493.21)	8,150.97
Cash generated from operations	**21,829.10**	**17,116.99**
Income taxes paid (net of refunds)	(5,185.15)	(4,172.33)
Net cash flow from operating activities (I)	**16,643.95**	**12,944.66**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital creditors and capital advances)	(15,240.26)	(9,961.82)
Proceeds from sale of property, plant and equipment and intangible assets	237.01	263.18
Purchase of other investment	(540.51)	-
Investments in joint venture/associates	-	(113.75)
Acquisition of a subsidiary, net of cash acquired	-	(3,376.73)
Payment made for acquisition of business	(533.08)	-
Loan given to joint venture/associates	(65.76)	(4.28)
Proceeds from loan given to joint venture/associates	-	11.56
Investments in mutual funds, fixed deposits and other deposits	(107,039.25)	(113,521.16)
Proceeds from sale of financial instruments including fixed deposits	115,888.02	109,816.43
Interest received	620.68	168.13
Dividend received	5.67	5.11
Net cash flows (used in) investing activities (II)	**(6,667.48)**	**(16,713.33)**

Consolidated Cash Flow Statement

for the year ended March 31, 2024 (contd.)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
FINANCING ACTIVITIES		
Dividend paid on equity shares	(3,800.66)	(3,252.83)
Interest paid on lease liability	(341.12)	(276.07)
Interest paid on borrowings and other liabilities	(4,554.38)	(2,111.42)
Payment of principal portion of lease liabilities	(513.47)	(368.84)
Proceeds from borrowings including bill discounting	95,194.78	77,101.66
Repayment of borrowings including bill discounting	(88,012.04)	(68,289.81)
Net cash flows from financing activities (III)	**(2,026.89)**	**2,802.69**
Net increase/(decrease) in cash and cash equivalents (I + II + III)	**7,949.58**	**(965.98)**
Net foreign exchange difference	**12.89**	**57.58**
Cash and cash equivalents at the beginning of the year*	**5,087.13**	**5,584.24**
Cash and cash equivalents at the end of the year*	**13,049.60**	**4,675.84**
Foreign currency translation reserve movement	**103.50**	**397.42**
Cash and cash equivalents on acquisition of subsidiary	**-**	**13.87**
Cash and cash equivalents at the end of the year*	**13,153.10**	**5,087.13**

* Excluding earmarked balances (on unclaimed dividend and unspent CSR accounts)

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
BANK BALANCES		
In cash credit and current accounts	7,808.01	4,924.34
Deposits with original maturity of less than three months	5,342.72	160.21
Cash on hand	2.37	2.58
Total	**13,153.10**	**5,087.13**

The accompanying notes form an integral part of the 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 08, 2024

For and on behalf of the Board of Directors of Bharat Forge Limited

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Bharat Forge Limited ("the Holding Company") and its subsidiaries (collectively, the Group) and Group's interest in associates and Joint Ventures for the year ended March 31, 2024. 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 aluminum castings for auto and industrial sector and also in manufacturing and assembly of electric vehicle related components. The Group has also assembled 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, 2024.

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 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 values 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 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 as at March 31, 2024. 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

Generally, there is a presumption that a majority of voting rights result 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:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.2 Basis of consolidation (contd.)

- 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 re-assesses 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 of 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 like 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 procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at 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. 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 the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.2 Basis of consolidation (contd.)

- 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 at 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 at 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 at 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 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 and subsequent its settlement is accounted for within equity.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

A. Business combinations and goodwill

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 of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at 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 in OCI and accumulated in equity 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 the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of 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 at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called measurement period adjustments. The measurement period does not exceed one year beyond 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 financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

B. Investment in associates and joint ventures

The Group's investments in its associates 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 and is not tested for impairment individually.

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 its 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 share of profit/(loss) of associates and joint ventures in the statement of profit and loss and then 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 'Share of profit of an associate and a joint venture' 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.

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 normal operating cycle
- Held primarily for the purpose of trading

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

C. Current versus non-current classification (contd.)

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve 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 normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve 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 twelve 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 each 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 at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at 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 except for differences pertaining to Long-Term Foreign Currency Monetary Items as mentioned subsequently.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at 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 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 difference arising from translation of long-term foreign currency monetary items

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

D. Foreign currencies (contd.)

recognised in the financial statements for the year ending March 31, 2016. Hence, such exchange differences are accounted as below:

a) Exchange differences arising on long-term foreign currency monetary items related to 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 of 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 expense in the period in which they arise.

For the purpose of (a) and (b) above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at 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 the interest cost and other exchange differences.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at 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 at the dates of the transactions. 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 at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities 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 at 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.

E. Fair value measurement

The Group measures financial instruments at fair value except those measured at amortised cost at 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 at 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

E. Fair value measurement (contd.)

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that 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 that are 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 valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether 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 the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

F. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are 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 of recognising the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract 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 sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on date of bill of lading for export sales and generally on delivery for domestic sales. In case of certain subsidiaries, revenue recognition is based on ex-factory/ex works incoterms wherein the goods are made available at subsidiary company's factory location to be picked up by the customers. The performance obligation is met at the time of 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 the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which 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 at the point in time when the control of the die is transferred, which is on receipt of customer's approval as per the terms of the contract (referred to as production parts approval process or PPAP).

Sale of services

Revenue from sale of services is in nature of job work on customer product which normally takes 1-4 days maximum and hence revenue is recognised when products are sent to customer on which job work is completed. The normal credit period is 60 days.

Warranty

Provision for assurance type warranties predominantly covers risk arising from expected claims for damages on the products sold by the Group, based on 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 assurance type-warranty for a period of two years.

The Group also provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These are classified as service-type warranties. Refer accounting policy on service type warranty.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

F. Revenue from contracts with customers (contd.)

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Group 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 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 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 that are bundled with maintenance service, such services are treated as a separate performance obligation only if the service is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance services is based on a 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 2.2-R 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 form of advance from 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 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 Group estimates the expected cash flows by considering all the 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

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 with expenses on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and is allocated to 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 is accounted on 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, at 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 the 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 associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will 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 except:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

I. Taxes (contd.)

- 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
- 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 it is probable that the temporary differences will 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 at 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 at each reporting date and are recognised to the extent that it has become probable that future taxable profits will 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 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 cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

J. Property, plant and equipment (contd.)

equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life. 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 provision are met.

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.

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 carrying amount of the replaced part is derecognised.

The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful life, determined based on internal technical evaluation as follows:

Type of assets	Useful life estimated by management (years)
Building - Factory	8 – 50
Buildings – Others	5 – 60
Plant and machinery (including dies)	1 – 23
Plant and machinery – Windmill	19
Plant and machinery – continuous processing plant	18
Plant and machinery - computer	3
Office equipment	3 – 11
Railway sidings	10
Power Line	6
Electrical installation	10
Factory equipment	2 – 10
Furniture and fixtures	10
Vehicles	3 – 9
Aircraft	7 – 18

Expenditure on power line is amortised on a straight-line basis over a period of six years.

The Holding Company and its Indian subsidiaries, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

J. Property, plant and equipment (contd.)

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 life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

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 investment property is disclosed in note 4. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying valuation model.

The investment properties held by the Group are in the nature of freehold land, hence are not subject to depreciation.

Investment properties are derecognised either when they have been disposed off 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, 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 the expenditure is incurred.

Intangible assets with finite life 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 the amortisation 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 expense on intangible assets with finite life is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

L. Intangible Assets (contd.)

The Group amortises intangible assets on 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 licence	5
Customer contracts	2
Technical know-how	3

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is 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 reliably the expenditure 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 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 cost also includes exchange differences to the extent regarded as an adjustment to the 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 at 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

N. Leases (contd.)

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 life 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	99

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 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 Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve 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 expense on a straight-line basis over the lease term.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

N. Leases (contd.)

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 revenue in the statement of profit or loss due to its operating nature. The 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.

O. Inventories

The cost of inventories has been computed to include all cost of purchases, cost 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 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 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. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods are valued at lower of Costs and are determined on 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. Cost 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 the 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. 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

P. Impairment of non-financial assets (contd.)

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 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, it is probable that 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 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

Q. Provisions and contingent liabilities (contd.)

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.

R. 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 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 Group 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 and the notified interest rate.

The cost of providing benefits under 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 measure 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 of the employees of the Group who are not covered under the above scheme, a portion of 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 excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 its 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

R. Post-employment and other employee benefits (contd.)

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 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, the 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 of 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 superannuation plan is a defined contribution plan. Defined contributions to Life Insurance Corporation for employees covered under Superannuation scheme are accounted at the rate of 15% of such employees' basic salary. The Group recognises expense toward 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, 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 service before the balance sheet date, the Group recognises that difference excess as a liability. The Group has no obligation, other than the contribution payable to the superannuation fund.

Privilege leave benefits

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

R. Post-employment and other employee benefits (contd.)

The Group treats accumulated leave expected to be carried forward beyond twelve months, as 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 the year-end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

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 twelve months after the end of the reporting period are discounted to present value.

Pension

The Group provides certain additional post employment healthcare benefits and 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.

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 its 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.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

R. Post-employment and other employee benefits (contd.)

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

Other long-term employee benefits

In 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 profit and loss.

S. 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 receivable that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value measured on initial recognition of the financial assets. 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 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

S. Financial instruments (contd.)

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at 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 strategy mitigates intermittent price volatility in open-ended target maturity fund's 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 coupon 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 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

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 & reversals and foreign exchange gain or loss 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 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 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 the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

S. Financial instruments (contd.)

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 OCI to the statement of profit and loss, even on sale of 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 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 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 balance
- 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

S. Financial instruments (contd.)

For recognition of impairment loss 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, a twelve 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, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve 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 the 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 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, 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 loss, 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

S. Financial instruments (contd.)

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 as 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.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at 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 those contracts that require a 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

S. Financial instruments (contd.)

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 stand-alone 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 that would otherwise be 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.

T. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

T. Derivative financial instruments and hedge accounting (contd.)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group 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 achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually 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 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.

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 note 50 for more details.

Amounts recognised as 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 OCI are transferred to the initial carrying amount of the non-financial asset or liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

T. Derivative financial instruments and hedge accounting (contd.)

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 OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

U. 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 as they are considered an integral part of the Group's cash management.

V. 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 the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

W. 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 performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

X. 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.

Y. Share-based payments

- Employees of one of the components of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in note 61.
- For options which are granted post acquisition date, the cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.3 Summary of material accounting policies (contd.)

Y. Share-based payments (contd.)

movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

- Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

2.4 Changes in accounting policies and new and amended standards

New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2023. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The amendment had no impact on the financial statements of the Company.

(b) Ind-AS 12: Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendment does not have any impact on the financial statements of the Company.

(c) Ind-AS 8: Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendment had no impact on the financial statements of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3. PROPERTY, PLANT AND EQUIPMENT

In ₹ Million

	Freehold land	Buildings (Note e and f)	Plant and machinery (Note b)	Railway sidings	Office equipment	Electrical installations	Factory equipment	Sub Total (A)
Cost								
As at April 1, 2022	**824.78**	**11,729.13**	**57,447.82**	**0.02**	**181.06**	**258.06**	**3,721.70**	**74,162.58**
Foreign Currency Translation Reserve	19.06	397.79	907.77	-	3.91	0.28	179.15	1,507.96
Additions	-	2,304.73	10,010.72	-	58.60	7.06	522.45	12,903.56
Additions on acquisition of subsidiary	295.84	245.58	1,362.67	-	4.47	50.68	-	1,959.24
Disposals	(28.61)	(37.43)	(1,066.32)	-	(3.47)	(0.01)	(43.21)	(1,179.05)
Other adjustments								
- Borrowing cost **(Refer note a)**	-	-	24.53	-	-	-	-	24.53
As at March 31, 2023	**1,111.07**	**14,639.80**	**68,687.19**	**0.02**	**244.57**	**316.07**	**4,380.09**	**89,378.82**
Foreign Currency Translation Reserve	3.12	73.33	235.56	-	0.83	-	22.69	335.53
Additions	10.87	622.02	7,184.87	-	117.99	28.10	670.39	8,634.24
Additions on acquisition of subsidiary	-	168.96	183.46	-	-	32.26	-	384.68
Disposals	-	(38.58)	(503.10)	-	(3.47)	-	(247.92)	(793.07)
Other adjustments								
- Other adjustments	-	-	7.49	-	(0.42)	-	-	7.07
- Borrowing cost **(Refer note a)**	-	-	192.12	-	-	-	-	192.12
As at March 31, 2024	**1,125.06**	**15,465.53**	**75,987.59**	**0.02**	**359.50**	**376.43**	**4,825.25**	**98,139.39**
Depreciation and impairment								
As at April 1, 2022	**-**	**2,651.20**	**26,501.23**	**-**	**98.60**	**156.42**	**2,275.31**	**31,682.76**
Foreign Currency Translation Reserve	-	80.75	504.35	-	2.50	0.28	124.40	712.28
Additions on acquisition of subsidiary	-	16.14	109.62	-	0.46	7.44	-	133.66
Charge for the year	-	496.44	5,593.75	-	33.07	10.37	368.57	6,502.20
Disposals	-	(21.47)	(900.11)	-	(2.71)	-	(32.45)	(956.74)
Other adjustments								
- Others **(Refer note c)**	-	-	0.07	-	(0.07)	-	-	-
As at March 31, 2023	**-**	**3,223.06**	**31,808.91**	**-**	**131.85**	**174.51**	**2,735.83**	**38,074.16**
Foreign Currency Translation Reserve	-	15.58	93.70	-	0.59	-	15.77	125.64
Additions on acquisition of subsidiary	-	-	0.07	-	-	-	-	0.07
Charge for the year	-	485.26	6,434.20	-	38.95	15.78	488.31	7,462.50
Disposals	-	(3.44)	(478.22)	-	(1.25)	-	(244.10)	(727.01)
Other adjustments	-	(0.02)	6.99	-	0.20	-	-	7.17
As at March 31, 2024	**-**	**3,720.44**	**37,865.65**	**-**	**170.34**	**190.29**	**2,995.81**	**44,942.53**
Net block								
As at March 31, 2023	**1,111.07**	**11,416.74**	**36,878.28**	**0.02**	**112.72**	**141.56**	**1,644.26**	**51,304.66**
As at March 31, 2024	**1,125.06**	**11,745.09**	**38,121.94**	**0.02**	**189.16**	**186.14**	**1,829.44**	**53,196.86**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2022	**314.66**	**1,700.40**	**16.17**	**2,031.23**	**76,193.81**	**11,259.78**
Foreign Currency Translation Reserve	(18.74)	1.20	-	(17.54)	**1,490.42**	559.20
Additions	72.10	24.21	-	96.31	**12,999.87**	7,126.77
Additions on acquisition of subsidiary	22.90	26.43	-	49.33	**2,008.57**	37.26
Disposals	(2.26)	(8.43)	-	(10.69)	**(1,189.74)**	(12,025.10)
Other adjustments						
- Borrowing cost **(Refer note a)**	-	-	-	-	**24.53**	18.18
As at March 31, 2023	**388.66**	**1,743.81**	**16.17**	**2,148.64**	**91,527.46**	**6,976.09**
Foreign Currency Translation Reserve	-	0.23	-	0.23	**335.76**	54.00
Additions	39.45	224.30	-	263.75	**8,897.99**	8,102.36
Additions on acquisition of subsidiary	-	-	-	-	**384.68**	-
Disposals	(0.43)	(14.75)	-	(15.18)	**(808.25)**	(5,661.93)
Other adjustments						
- Other adjustments	3.02	-	-	3.02	**10.09**	-
- Borrowing cost **(Refer note a)**	-	-	-	-	**192.12**	310.32
As at March 31, 2024	**430.70**	**1,953.59**	**16.17**	**2,400.46**	**100,539.85**	**9,780.84**
Depreciation and impairment						
As at April 1, 2022	**125.49**	**412.83**	**8.07**	**546.39**	**32,229.15**	**12.23**
Foreign Currency Translation Reserve	(4.07)	0.71	-	(3.36)	**708.92**	-
Additions on acquisition of subsidiary	3.48	2.79	-	6.27	**139.93**	-
Charge for the year	41.23	143.52	1.43	186.18	**6,688.38**	-
Disposals	(0.88)	(4.31)	-	(5.19)	**(961.93)**	-
As at March 31, 2023	**165.25**	**555.54**	**9.50**	**730.28**	**38,804.44**	**12.23**
Foreign Currency Translation Reserve	-	0.15	-	0.15	**125.79**	-
Additions on acquisition of subsidiary	-	-	-	-	**0.07**	-
Charge for the year	41.69	149.53	1.43	192.65	**7,655.15**	-
Disposals	(0.15)	(11.26)	-	(11.41)	**(738.42)**	-
Other adjustments	2.93	-	-	2.93	**10.10**	
As at March 31, 2024	**209.72**	**693.96**	**10.93**	**914.60**	**45,857.13**	**12.23**
Net block						
As at March 31, 2023	**223.41**	**1,188.27**	**6.67**	**1,418.35**	**52,723.01**	**6,963.86**
As at March 31, 2024	**220.98**	**1,259.63**	**5.24**	**1,485.86**	**54,682.72**	**9,768.61**

(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 cost capitalised during the year ended March 31, 2024 was ₹ 502.44 million (March 31, 2024: ₹ 133.95 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. refer note 18(a).

(b) Assets include assets lying with third parties amounting to ₹ 351.61 million (March 31, 2023: ₹ 406.56 Million).

(c) Other adjustments are related to reclassification within block of assets.

(d) None of the components in the Group has revalued any property, plant and equipment during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(e) Buildings include cost of hangar jointly owned with other companies ₹ 0.07 million (March 31, 2023: ₹ 0.07 million).

(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 at ₹ 0.16 million for which exchange deed is registered at authority, however, certified true copy and index II is awaited.

b. Hangar at Lohegoan in possession of the Holding Company since April 01, 1977 aggregating gross block of ₹ 0.12 million and net block of ₹ 0.05 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) 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, 2024					
Projects in progress	6,573.69	2,672.94	193.91	434.63	9,875.17
Projects temporarily suspended	-	37.26	-	-	37.26
Total	**6,573.69**	**2,710.20**	**193.91**	**434.63**	**9,912.43**
March 31, 2023					
Projects in progress	5,305.00	390.58	232.35	1,046.42	6,974.35
Projects temporarily suspended	-	37.26	-	-	37.26
Total	**5,305.00**	**427.83**	**232.35**	**1,046.42**	**7,011.61**

There are no projects whose completion is overdue or have exceeded their cost compared to the original plan.

4. INVESTMENT PROPERTY

In ₹ Million

Particulars	Freehold land
Cost	
at April 1, 2022	**2.89**
Additions	-
Disposals	-
at March 31, 2023	**2.89**
Additions	-
Disposals	-
at March 31, 2024	**2.89**
Depreciation and impairment	
at April 1, 2022	**-**
Depreciation for the year	-
at March 31, 2023	**-**
Depreciation for the year	-
at March 31, 2024	**-**
Net block	
at March 31, 2023	**2.89**
at March 31, 2024	**2.89**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

4. INVESTMENT PROPERTY (CONTD.)

Information regarding income and expenditure of investment property

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Rental income derived from investment properties **[included in Rent in note 25]**	4.42	3.86
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	1.12	1.03
[included in Rates and taxes in note 31]	-	-
Profit arising from investment properties before depreciation and indirect expenses	**3.30**	**2.83**
Less: Depreciation	-	-
Profit arising from investment properties before indirect expenses	**3.30**	**2.83**

The Group's investment properties consist of three parcels of land situated at Pune, Satara and Chakan.

As at March 31, 2024 and March 31, 2023, the fair values of the properties are ₹ 1,168.98 million and ₹ 1,139.56 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 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 (other than the land for which the matter is being subjudice and for which no income has been considered) on the realisability of its investment properties and has no contractual obligations to either construct or develop investment properties or for repairs, maintenance and enhancements. The Group's investment properties consist of three parcels of land situated at Pune, Satara and Chakan. Freehold land parcel includes 25 acres of land situated at Pune and 24.13 acres of land situated at Satara and 8.40 acres of land situated at Chakan, which have been given on lease. Due to certain matters being subjudice, the Holding Company has not executed lease deed with related party for one of the said land.

Reconciliation of fair value

In ₹ Million

Particulars	Free hold land
at April 1, 2022	**2,432.95**
Fair value difference	(1,293.39)
Purchases	-
at March 31, 2023	**1,139.56**
Fair value difference	29.42
Purchases	-
at March 31, 2024	**1,168.98**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2022	**283.13**	**7.84**	**8.65**	**197.86**	**2.82**	**856.89**	**1,357.18**	**836.60**	**-**
Foreign Currency Translation Reserve	17.79	-	-	8.74	0.19	-	26.72	29.31	
Additions	154.56	-	-	201.83	0.03	-	356.42	-	106.45
Additions on acquisition of subsidiary	7.59	-	-	-	-	-	7.59	2,433.33	
Disposals	(12.82)	-	-	-	-	-	(12.82)	-	(60.58)
Other adjustments									
- Other adjustments **[Refer note 5(b)]**	-	-	-	-	-	-	-	-	1.88
As at March 31, 2023	**450.25**	**7.84**	**8.65**	**408.43**	**3.04**	**856.89**	**1,735.09**	**3,299.24**	**47.75**
Foreign Currency Translation Reserve	(6.53)	-	-	1.08	8.92	-	3.47	3.62	
Additions	127.86	-	-	6.76	-	-	134.62	3.28	96.07
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-	
Disposals	(57.64)	-	-	-	-	-	(57.64)	-	-
Other adjustments									
- Other adjustments	0.09	-	-	-	-	-	0.09		-
As at March 31, 2024	**514.03**	**7.84**	**8.65**	**416.27**	**11.96**	**856.89**	**1,815.63**	**3,306.14**	**143.82**
Amortisation/Impairment									
As at April 1, 2022	**204.25**	**7.84**	**7.87**	**166.11**	**2.70**	**278.07**	**666.84**	**330.17**	**-**
Foreign Currency Translation Reserve	12.44	-	-	8.74	0.18	-	21.36	14.35	-
Additions on acquisition of subsidiary	3.73	-	-	-	-		3.73		
Charge for the year	79.90	-	-	35.37	0.03	121.01	236.31	-	-
Disposals	**(9.60)**	**-**	**-**	**-**	**-**	**-**	**(9.60)**	**-**	**-**
As at March 31, 2023	**290.72**	**7.84**	**7.87**	**210.22**	**2.91**	**399.08**	**918.64**	**344.52**	**-**
Foreign Currency Translation Reserve	**(0.27)**	**-**	**-**	**0.98**	**1.47**	**-**	**2.18**	**1.77**	**-**
Charge for the year	**91.94**	**-**	**-**	**47.51**	**-**	**93.16**	**232.61**	**-**	**-**
Disposals	**(45.77)**	**-**	**-**	**-**	**-**	**-**	**(45.77)**	**-**	**-**
Disposal of Subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Other adjustments	0.09	-	-	-	-	-	0.09	-	-
As at March 31, 2024	**336.71**	**7.84**	**7.87**	**258.71**	**4.38**	**492.24**	**1,107.75**	**346.29**	**-**
Net block									
at March 31, 2023	**159.53**	**-**	**0.78**	**198.21**	**0.13**	**457.81**	**816.46**	**2,954.72**	**47.75**
at March 31, 2024	**177.32**	**-**	**0.78**	**157.56**	**7.58**	**364.65**	**707.89**	**2,959.85**	**143.82**

(a) The Group has identified the Company Mécanique Générale Langroise (MGL) as the CGU, to which goodwill has been allocated. MGL is involved in machining of Oil & Gas and other industrial sector components. The goodwill generated

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

5. INTANGIBLE ASSETS AND GOODWILL (CONTD.)

through business combination has been entirely allocated to CGU 'MGL' which pertains to the forging segment. The carrying amount of goodwill as at March 31, 2024 is ₹ 272.71 million (March 31, 2023: ₹ 270.87 million) net of impairment.

(b) During the previous year the Group has acquired JS Auto Cast Foundry India Private Limited which is engaged in the business of ducticle 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 purchase price allocation **[Refer note 46]**.

(c) The Company capitalises borrowing costs in the intangible assets under developement first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from intangible assets under developement. The borrowing cost capitalised in intangible assets under developement during the year ended March 31, 2024 was ₹ 0.78 million (March 31, 2023: ₹ 1.88 million). Capitalisation rate is 8.70% p.a.

(d) During the year the Group has acquired Zorya Mashproekt India Private Limited which is engaged in the business relating to Marine Gas Turbine Engine manufactured by original manufacturer Zorya Mashproekt Ukraine. Accordingly as part of the overall business combination, the group recognised the goodwill amounting to ₹ 2.18 million based on the Net Worth of the company on the date of acquisition **[Refer note 46]**.

Impairment of Goodwill:

1. Kalyani Strategic Systems Limited

As a part of business restructuring, goodwill of BF Infrastructure Limited was transferred to Kalyani Strategic Systems Limited. The Group performed its annual impairment test for the year March 31, 2024. The Group considers 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): 21.63% (March 31, 2023: 21.55%)

Terminal growth rate: 2.00% (March 31, 2023: 5.00%)

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 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 in March 31, 2024 (March 31, 2023: Nil).

2. Mécanique Générale Langroise (MGL)

The Group performed its annual impairment test for the year March 31, 2024. 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): 12.70 % (March 31, 2023: 12.50%)

Terminal growth rate: 1.80% (March 31, 2023: 1.50%)

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 long-term inflation rate.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

5. INTANGIBLE ASSETS AND GOODWILL (CONTD.)

The Group has performed sensitivity analysis around the base assumptions and have 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 in March 31, 2024 (March 31, 2023: Nil).

3. Tork Motors Private Limited

The Group performed its annual impairment test for the year March 31, 2024. 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): 14.12% (March 31, 2023: 25.50%)

Terminal growth rate: 2.00% (March 31, 2023: 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 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 in March 31, 2024 (March 31, 2023: Nil).

6. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
At Cost		
Unquoted equity instruments (fully paid)		
- Investment in associates		
Talbahn GmbH **[note 6 (a)]**	0.30	0.30
Less: Provision for diminution	(0.30)	(0.30)
	-	-
136,500 (March 31, 2023: 136,500) equity shares of ₹ 10/- each fully paid up in Aeron Systems Private Limited **[Refer note 6 (b) and note 39]**	126.90	114.90
11,375,000 (March 31, 2023: 11,375,000) equity shares of ₹ 10/- each fully paid up in Avaada MHVIDARBHA Private Limited **[Refer note 6 (c) and note 39]**	115.73	111.35
- Investments in joint ventures		
12,500 (March 31, 2023: 12,500) ordinary shares of Eur 1.00 each in Refu Drive GmbH [11,350,000 (March 31, 2023: Euro 11,350,000)] **[Refer note 6 (d) and note 38]**	396.64	360.27
Total	**639.27**	**586.52**

a. Not included in the consolidation based on materiality.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

6. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (CONTD.)

b. On February 23, 2023 the holding Company sold 136,500 Equity shares having face value ₹ 10/- each of Aeron Systems Private Limited to Kalyani Strategic Systems Limited at a fair value of ₹ 1,005/- per share amounting to ₹ 1,371.83 lakh on a private placement basis for a consideraion other than cash and the same shall rank pari passu with existing equity shares of the Company.

c. During the previous year, the Group has invested an amount of ₹ 113.75 million by acquiring 11,375,000 equity shares of ₹ 10 each of Avaada MHVIDARBHA Private Limited for procurement of solar power.

d. During the earlier year, the Group had entered into a Joint Venture Agreement with Refu Elektronik GmbH, Germany and its affiliates/Promoters (REFU) for incorporating a Joint Venture Company i.e. Refu Drive GmbH (JV), under the laws of Germany by investing ₹ 892.34 million against 12,500 equity shares of Eur 1/- each.

7. INVESTMENTS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current investments		
(a) Investments designated at amortised cost		
- Debt instruments (unquoted) (fully paid)	1,734.16	1,628.73
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	51.06	-
(a)	**1,785.22**	**1,628.73**
(b) Investments designated at fair value through OCI (FVTOCI) (Refer note 7 (a) and (c))		
- Equity instruments (unquoted)		
- Investments in others (Group holds 5% or more of the share capital) fully paid		
38,384,202 (March 31, 2023: 38,384,202) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited **[Refer note 7(c)]**	1,060.94	988.00
14,245,000 (March 31, 2023: 14,245,000) equity shares of ₹ 10/- each in Avaada SataraMH Private Limited **[Refer note 7(c)]**	166.38	142.45
2,033,850 (March 31, 2023: 2,033,850) equity shares of ₹ 10/- each in Avaada MHBuldhana Private Limited **[Refer note 7(c)]**	23.76	20.34
1,160,668 (March 31, 2023: 1,160,668) ordinary shares of £ 0.00001 each in TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) **[Refer note 7(e)]**	9.71	2,952.03
13,982,725 (March 31, 2023: 8,491,812) Series Seed - 3 Preferred Stock having par value $ 0.00001 in Harbinger Motors Inc. (formerly known as Electron Transport Inc.)	1,690.46	350.21
13,00,000 (March 31, 2023: Nil) ordinary shares having par value ₹ 10 in Ratnakar Energy Private Limited	13.00	-
- Equity instruments (quoted)		
Investment in others		
613,000 (March 31, 2023: 613,000) equity shares of ₹ 10/- each fully paid up in KPIT Technologies Limited **[Refer note 7(h)]**	454.85	160.08
613,000 (March 31, 2023: 613,000) equity shares of ₹ 2/- each fully paid up in Birlasoft Limited **[Refer note 7(h)]**	911.16	567.09
Total FVTOCI Investments (b)	**4,330.26**	**5,180.20**
Carried over	6,115.48	6,808.93

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

7. INVESTMENTS (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Brought over	6,115.48	6,808.93
(c) Investments at fair value through profit or loss (FVTPL) (Refer note 7 (d))		
Equity instruments (unquoted)		
Investments in others (Group holds 5% or more of the share capital)		
504,432 (March 31, 2023: 504,432) equity shares of ₹ 10/- each fully paid up in Gupta Energy Private Limited **[Refer note 7(b)]**	-	-
Investments in private equity fund (unquoted funds)		
665,144.18 (March 31, 2023: 1,538,810.22) Units of ₹ 100/- each of Paragon Partners Growth Fund - I	113.33	255.92
Investment in Limited Liability Partnership 14% (March 31, 2023: Nil) share in SPI Power LLP **[Refer note 7(g)]**	0.01	0.01
Investments in mutual funds (quoted funds) **[Refer note 7(d)]**	-	1,129.77
Investments in mutual funds (unquoted funds) **[Refer note 7(d)]**	1,366.91	6,406.50
Total FVTPL Investments (c)	**1,480.25**	**7,792.20**
Total (a) + (b) + (c)	**7,595.73**	**14,601.13**
Current investments		
(d) Investments designated at amortised cost		
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	907.50	-
(d)	**907.50**	**-**
(e) Investments at fair value through profit or loss (fully paid)		
Investments in mutual funds (quoted funds) **[Refer note 7(d)]**	2,307.02	1,440.80
Investments in mutual funds (unquoted funds) **[Refer note 7(d)]**	6,875.27	6,086.17
Investment in mutual funds (unquoted funds) by subsidiary companies **[Refer note 7(f)]**	164.99	2,973.59
Total FVTPL Investments (e)	**9,347.28**	**10,500.56**
Total (d) + (e)	**10,254.78**	**10,500.56**
Aggregate book value of quoted investments	2,866.58	1,925.09
Aggregate market value of quoted investments	4,580.53	3,297.74
Aggregate value of unquoted investments	13,269.98	21,803.94

(a) These investments are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group.

(b) Gupta Energy Private Limited
Shares of GEPL pledged against the facility obtained by Gupta Global Resources Private Limited. This investment is carried at fair value of ₹ Nil.

(c) 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.

(d) Investments at fair value through profit or loss (fully paid) reflect investment in quoted/unquoted equity and debt securities. Refer note 51 for determination of their fair values.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

7. INVESTMENTS (CONTD.)

(e) 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, 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 Company has classified it to be an equity instrument held at fair value through other comprehensive income. Also refer note 32.

During the current year, the Group has considered a fair value adjustment as against the total carrying value of Tevva resulting in other comprehensive loss of ₹ 2,936.58 million.This fair value adjustment has been considered basis future projections and revenue market multiple for comparable companies in the segment.

(f) Includes investment in unquoted mutual funds amounting to ₹ 164.99 (March 31,2023: ₹ 2,973.59 million) with respect to 1 (March 31, 2023: 2) of the subsidiaries.

Name of the mutual fund plan	March 31, 2024		March 31, 2023	
	Units held (No.)	Amount (In ₹ Million)	Units held (No.)	Amount (In ₹ Million)
Unquoted				
Units of Axis Liquid Fund (G)	331.41	0.88	273,756.39	679.23
Units of ICICI Pru Liquid Fund (G)	-	-	1,782,068.85	589.25
Units of Kotak Liquid Fund Reg (G)	-	-	115,302.05	520.86
Units of Kotak Money Market Fund(G)	-	-	110,618.13	420.71
Units of Nippon India Liquid Fund (G)	43,422.68	164.11	181,504.41	763.54
		164.99		**2,973.59**

(g) During the previous year, the Group had made an investment in SPI Power LLP amounting to ₹ 0.01 million.

(h) Birlasoft Limited and KPIT Technologies Limited

The Holding Company had invested in 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, had by its order approved the composite scheme of arrangement (Scheme), amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholder Pursuant to the scheme, the engineering business of KPIT Technologies Limited had been transferred to KPIT Engineering Limited.

Pursuant to the order during the earlier year, Birlasoft (India) Limited had merged with KPIT Technologies Limited and KPIT Technologies had been renamed "Birlasoft Limited". KPIT Engineering Limited had been renamed "KPIT Technologies Limited".

Pursuant to the scheme, the Company had received 1 equity share of KPIT Technologies Limited of ₹ 10/- each for 1 equity share of Birlasoft Limited of ₹ 2/- each. The ratio of cost of acquisition per share of Birlasoft Limited and KPIT Technologies Limited was 56.64% to 43.36%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

8. LOANS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current (Unsecured, considered good)		
Other loans		
Loans to employees	60.26	56.78
Loans to associates and joint ventures **[Refer note 45 and 47]**	-	-
Total	**60.26**	**56.78**
Current (Unsecured, considered good)		
Other loans		
Loans to employees	35.57	33.53
Loans to associates and joint ventures **[Refer note 45 and 47]**	165.76	-
Loans to others	-	93.49
Total	**201.33**	**127.02**

No loans are due from directors or other officers of the Group, firms in which director is a partner or private companies in which director is a director or member either severally or jointly with any other person, except for loans/advances disclosed in note 45 and 47.

Loans are non derivative financial assets which generate fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.

9. DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	696.81	822.17
Fair value hedges (FVTPL)		
Cross currency swap	130.59	-
Total	**827.40**	**822.17**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	1,135.25	1,247.05
Fair value hedges (FVTPL)		
Cross currency swap	-	77.02
Foreign currency forward contracts	5.15	1.46
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	7.83	-
Total	**1,148.23**	**1,325.53**

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign currency forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR).

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

9. DERIVATIVE INSTRUMENTS (CONTD.)

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of EUR/INR and foreign currency forward contracts to hedge exposure to changes in the fair value of underlying Euro liability and trade receivables respectively.

Derivative instruments not designated as hedge reflect the positive change in cross currency swaps through which the Company has converted two of its long-term INR Non-Convertible Debentures into a Euro and INR pre-shipment credit into USD and EURO for positive interest arbitrage.

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of cross currency swaps, designated as fair value hedge through which the Group had converted one of its long-term USD loans into a Euro loan and INR preshipment credit into USD for positive interest arbitrage. They also reflect positive changes in fair value of foreign currency forward contracts to hedge exposure to changes in fair value of underlying trade receivables.

10. OTHER FINANCIAL ASSETS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
Government grants*	53.09	48.57
Security deposits	455.14	420.03
Deposits with remaining maturity for more than twelve months** @	163.44	101.54
Total	**671.67**	**570.14**
Current		
Government grants*	251.25	624.62
Energy credit receivable - windmills	-	10.32
Security deposits	3.35	65.66
Interest Recoverable	53.40	22.77
Insurance Claim Receivable	62.53	
Other receivables***	45.68	10.70
Total	**416.21**	**734.07**

* Includes receivable against various schemes of export incentives and Industrial Promotion Subsidy (IPS) under Package Scheme of Incentives (PSI) 2007, Energy Tax refund, compensation for short time work (Kurzarbeit) and subsidy for capital expansion with respect to some of the subsidiaries. There are no unfulfilled conditions or other contingencies attached to the these Government grants.

** ₹ Nil (March 31, 2023: ₹ 1.23 million) held as security for various Government authorities and ₹ Nil (March 31, 2023: 1.23 million) under bank lien for bank guarantees issued.

*** Other receivables included sundry balances receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

11. INVENTORIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and components*	7,482.94	7,256.59
Work-in-progress	10,455.38	9,564.13
Finished goods**	11,010.27	11,839.86
Stock of traded goods	-	3.25
Stores, spares and loose tools	2,848.02	2,218.16
Dies and dies under fabrication	265.97	241.19
Scrap	98.24	139.36
Total	**32,160.82**	**31,262.54**

* Includes goods in transit March 31, 2024: ₹ 299.05 million [March 31, 2023: ₹ 182.73]

** Includes goods in transit March 31, 2024: ₹ 7,258.52 [March 31, 2023: ₹ 6,424.67 million]

During the year ended March 31, 2024: ₹ (523.65) million [March 31, 2023: ₹ 46.05 million] was recognised as (reversal of expense)/expenses for inventories carried at net realisable value.

12. TRADE RECEIVABLES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
Unsecured		
Considered good	134.08	117.36
	134.08	**117.36**
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Unsecured (Considered good)	36.17	4.11
	36.17	**4.11**
Total	**97.91**	**113.25**
Current		
Secured		
Considered good	39.25	87.82
Credit impaired	-	-
	39.25	**87.82**
Unsecured		
Considered good (including related parties receivable)	32,213.02	31,081.82
Significant increase in credit risk	-	-
Credit impaired	141.68	109.13
	32,354.70	**31,190.95**
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	141.68	109.13
Unsecured (considered good)	580.76	295.07
	722.44	**404.20**
Total	**31,671.51**	**30,874.57**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024

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							
(a) Considered good	21,906.22	8,443.87	731.27	892.02	322.07	90.89	32,386.35
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	80.45	9.16	0.01	0.09	3.41	48.56	141.68
Unbilled revenue	-	-	-	-	-	-	-
Disputed dues							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Unbilled revenue	-	-	-	-	-	-	-
Total	**21,986.67**	**8,453.03**	**731.28**	**892.11**	**325.48**	**139.45**	**32,528.03**
Loss Allowance	**385.30**	**38.71**	**8.71**	**107.94**	**92.28**	**125.67**	**758.61**

As at March 31, 2023

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							
(a) Considered good	24,051.77	5,924.47	824.88	234.50	49.93	82.59	31,168.14
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	59.07	26.84	23.22	109.13
Unbilled revenue	-	-	-	-	-	-	-
Disputed dues							
(a) Considered good	-	-	-	-	-	118.86	118.86
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Unbilled revenue	-	-	-	-	-	-	-
Total	**24,051.77**	**5,924.47**	**824.88**	**293.57**	**76.77**	**224.67**	**31,396.13**
Loss Allowance	**-**	**213.57**	**62.07**	**74.19**	**30.13**	**28.35**	**408.31**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Transferred receivables	4,060.89	5,081.35
Associated borrowing [bank loans - Refer note 18]	4,060.89	5,081.35

13. CASH AND BANK BALANCES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalent		
Balances with banks:		
In cash credit and current accounts	7,808.01	4,924.34
Deposits with remaining maturity of less than three months**	5,342.72	160.21
Cash on hand	2.37	2.58
Total	**13,153.10**	**5,087.13**
Other bank balances		
Earmarked balances (on unclaimed dividend accounts and unspent CSR account)	119.07	44.18
Deposits with remaining maturity of less than twelve months*#	3,627.05	5,263.88
Total	**3,746.12**	**5,308.06**

Bank deposits earn interest at fixed rates. Short-term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

* Includes deposits of ₹ 16.22 million (March 31, 2023: ₹ 9.24 million) under bank lien for bank guarantees issued.

\# Includes deposits of ₹ 1.36 million (March 31, 2023: ₹ 0.05 million) held as security for various government authorities.

14. OTHER ASSETS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current (Unsecured, considered good)		
Capital advances	7,229.71	4,304.14
Balances with government authorities	939.79	405.70
Government grants$	74.46	-
Advances to suppliers#	122.17	1,350.00
Others*	-	91.67
Employees' benefits - employees' provident fund	-	1.70
Total	**8,366.13**	**6,153.21**
Current (Unsecured, considered good)		
Balances with government authorities	3,729.84	2,307.41
Government grant$	256.44	1.54
Advance to suppliers	1,619.41	1,357.59
Others *	1,797.33	1,134.16
Total	**7,403.02**	**4,800.70**

* Includes prepaid expenses, sundry debit balances etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

14. OTHER ASSETS (CONTD.)

$ Includes receivable 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.

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 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.

Pertained to long-term advance given to Saarloha Advanced Materials Private Limited for a period of 4 years at an interest rate of 8.25% p.a. Frequency of interest payment was quarterly. Also refer note 45.

Break up of financial assets carried at amortised cost

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investments **[Refer note 7]**	2,692.72	1,628.73
Loans **[Refer note 8]**	261.59	183.80
Other financial assets **[Refer note 10]**	1,087.88	1,304.21
Trade receivables **[Refer note 12]**	31,769.42	30,987.82
Cash and cash equivalents **[Refer note 13]**	13,153.10	5,087.13
Other bank balances **[Refer note 13]**	3,746.12	5,308.06
Total	**52,710.83**	**44,499.75**

Break up of financial assets carried at fair value through OCI

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investments **[Refer note 7]**	4,330.26	5,180.20
Derivative instruments **[Refer note 9]**	1,832.06	2,069.22
Total	**6,162.32**	**7,249.42**

Break up of financial assets carried at fair value through profit and loss

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Investments **[Refer note 7]**	10,827.53	18,292.76
Derivative instruments **[Refer note 9]**	143.57	78.48
Total	**10,971.10**	**18,371.24**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised shares (No.)		
975,000,000 (March 31, 2023: 975,000,000) equity shares of ₹ 2/- each	1,950.00	1,950.00
43,000,000 (March 31, 2023: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2023: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
465,768,492 (March 31, 2023: 465,768,492) equity shares of ₹ 2/- each	931.54	931.54
Subscribed and fully paid-up (No.)		
465,588,632 (March 31, 2023: 465,588,632) equity shares of ₹ 2/- each	931.18	931.18
Add:		
172,840 (March 31, 2023: 172,840) forfeited equity shares comprising 15,010 equity shares (March 31, 2023: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2023: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50 each)	0.09	0.09
Total issued, subscribed and fully paid-up share capital	**931.27**	**931.27**

(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 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, 2024		As at March 31, 2023	
	No.	In ₹ Million	No.	In ₹ Million
At the beginning of the year	465,588,632	931.18	465,588,632	931.18
Issued during the year	-	-	-	-
Outstanding at the end of the year	465,588,632	931.18	465,588,632	931.18

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL (CONTD.)

(c) Disclosure of shareholding of promoter and promoter group

Name of the promoter/promoter group member	Number of shares held at March 31, 2024	% 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	0.15%	-
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	9.94%	-
Ajinkya Investment & Trading Company	14,981,850	3.22%	-
Sundaram Trading and Investment Private Limited	55,240,174	11.86%	-
Kalyani Investment Company Limited	63,312,190	13.60%	-
BF Investments Limited	15,614,676	3.35%	-
Rajgad Trading Company Private Limited	1,360,260	0.29%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.40%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Janhavi Investment Private Limited	4,686,640	1.01%	-
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	0.24%	-
Campanula Investment & Finance Limited	739,980	0.16%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.22%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

Name of the promoter/promoter group member	Number of shares held at March 31, 2023	% 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	0.15%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL (CONTD.)

(c) Disclosure of shareholding of promoter and promoter group (contd.)

Name of the promoter/promoter group member	Number of shares held at March 31, 2023	% of total shares	% Change during the year
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.94%	-
Ajinkya Investment & Trading Company	14,981,850	3.22%	-
Sundaram Trading and Investment Private Limited	55,240,174	11.86%	-
Kalyani Investment Company Limited	63,312,190	13.60%	-
BF Investments Limited	15,614,676	3.35%	-
Rajgad Trading Company Private Limited	1,360,260	0.29%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.40%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	1.01%	-
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	0.24%	-
Campanula Investment & Finance Limited	739,980	0.16%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.22%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

(d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares allotted as fully paid bonus shares by capitalisation of capital redemption reserve and securities premium account during the year ended March 31, 2018	-	232,794,316

(f) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No.	% of Holding	No.	% of Holding
Equity Shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	63,312,190	13.60%	63,312,190	13.60%
Sundaram Trading and Investment Private Limited	55,240,174	11.87%	55,240,174	11.87%
KSL Holding Private Limited	46,285,740	9.94%	46,285,740	9.94%

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

15. EQUITY SHARE CAPITAL (CONTD.)

(g) Shares reserved for issue under option

Particulars	As at March 31, 2024 No.	As at March 31, 2023 No.
4,680 (March 31, 2023: 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, 2023: 234) detachable warrants entitled to subscription of 2,340 (March 31, 2023: 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

(h) Global depository receipts

The Company had issued 3,636,500 equity shares of ₹ 10/- each (later sub-divided into 18,182,500 equity shares of ₹ 2/- each) in April 2005 represented by 3,636,500 Global Depository Receipts (GDR) (on sub division 18,182,500 GDRs) evidencing "Master GDR Certificates" at a price of USD 27.50 per GDR (including premium). GDRs outstanding as at year end are 800 (March 31, 2023: 800). The funds raised had been utilised towards the object of the issue.

Holders of GDRs will have no voting rights or other direct rights of a shareholder with respect to the shares underlying the GDR. Since the GDR holding has been substantially lower down, the termination of the GDR program has been initiated effective from January 15, 2024. The GDRs would be delisted from the Luxembourg Stock Exchange within the appropriate time frame. However, there will be no further impact on the Equity Share Capital of the Company. The underlying equity shares of the GDR holding will continue to be listed on BSE & NSE.

16. OTHER EQUITY

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserves		
Special capital incentive [Refer note 16 (a)]		
Balance as per the last financial statements	2.50	2.50
Add: Arising during the year		-
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	6,930.89	6,930.89
Add: Arising during the year	-	-
Closing balance	**6,930.89**	**6,930.89**
Employee stock option outstanding [Refer note 16(d)]		
Balance as per the last financial statements	37.40	16.29
Add: Compensation options granted during the year	89.96	21.11
Closing balance	**127.36**	**37.40**
Carried over	7,073.75	6,983.79

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

16. OTHER EQUITY (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Brought over	7,073.75	6,983.79
General reserve [Refer note 16(e)]		
Balance as per the last financial statements	3,230.48	3,230.48
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	**3,230.48**	**3,230.48**
Retained earnings in the statement of profit and loss [Refer note 16(f)]		
Balance as per the last financial statements	51,140.41	48,867.41
Add:		
- Net profit for the year	9,511.28	5,283.64
- Items of other comprehensive income:		
(1) Re-measurement of defined benefit obligations	(169.39)	248.48
Less:		
- Final equity dividend of previous year	2,560.74	2,560.74
- Interim equity dividend for current year	1,163.97	698.38
Closing balance	**56,757.59**	**51,140.41**
Cash flow hedge reserve [Refer note 2.3 (s)]		
Balance as per the last financial statements	1,240.42	2,814.56
Add: Arising during the year	1,018.33	(546.23)
Less: Adjusted during the year	906.90	1,027.91
Closing balance	**1,351.85**	**1,240.42**
Foreign currency translation reserve (FCTR) [Refer note 2.3 (d)]		
Balance as per the last financial statements	1,471.83	1,074.38
Add: Arising during the year	103.50	397.45
Closing balance	**1,575.33**	**1,471.83**
Non-controlling interest reserve		
Balance as per the last financial statements	(148.19)	(148.19)
Closing balance	**(148.19)**	**(148.19)**
Equity instruments through other comprehensive income		
Balance as per the last financial statements	2,205.25	1,974.15
Add: (Adjusted)/Arising during the year	(1,275.49)	231.10
Closing balance	**929.76**	**2,205.25**
Closing balance Total:	**70,770.57**	**66,123.99**

(a) Special capital incentive:

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 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

16. OTHER EQUITY (CONTD.)

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 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:

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.

(d) Employee stock option outstanding

One of the subsidiaries in India has issued equity settled stock options to its employees. Refer note 57 for details.

(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 Company accumulated as on Balance Sheet date.

17. DISTRIBUTION MADE AND PROPOSED TO BE MADE

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash dividends on equity shares declared and paid:		
Final dividend		
For the year ended on March 31, 2023: ₹ 5.50 per share (March 31, 2022: ₹ 5.50 per share)	2,560.74	2,560.74
Interim dividend		
During the year ended on March 31, 2024: ₹ 2.50 per share (March 31, 2023: ₹ 1.50 per share)	1,163.97	698.38
Proposed dividend on equity shares:		
Final cash dividend		
For the year ended on March 31, 2024: ₹ xxx per share (March 31, 2023: ₹ 5.50 per share)	-	2,560.74

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 dividend declared and dividend paid.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

18. BORROWINGS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current borrowings		
- Debentures		
5.97% Rated unsecured non-convertible debentures **[Refer note 18 (c)]**	2,495.81	3,981.19
5.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(d)]**	1,996.99	1,995.44
7.80% Rated Unsecured Non-Convertible Debentures **[Refer Note 18(e)]**	1,245.04	-
- Term loans from banks		
Foreign currency term loans (other than Rupee loans) (secured)		
On bilateral basis **[Refer note 18 (a)]**	3,978.08	1,265.71
On syndication basis **[Refer note 18 (a)]**	-	3,327.11
Foreign currency term loans (other than Rupee loans) (unsecured)		
On bilateral basis **[Refer note 18 (a)]**	1,332.77	4,055.15
On syndication basis **[Refer note 18 (a)]**	-	-
Rupee term loans (secured)		
On bilateral basis **[Refer note 18 (b)(i)]**	502.25	2.62
Rupee term loans (unsecured)		
On bilateral basis **[Refer note 18 (b)(ii)]**	7,038.86	2,885.50
Total	**18,589.80**	**17,512.72**
Current borrowings		
- Debentures - current maturity		
5.97% Rated Unsecured Non-Convertible Debentures **[Refer Note 18 (a)(i)].**	1,493.41	999.22
- Current maturity of term loans from banks		
Foreign currency term loans (other than Rupee loans) (secured)		
On bilateral basis **[Refer note 18 (a)]**	1,415.57	855.10
Foreign currency term loans (other than Rupee loans) (unsecured)		
On bilateral basis **[Refer note 18 (a)]**	2,769.62	4,028.92
On syndication basis **[Refer note 18 (a)]**	-	1,040.23
Rupee term loans (secured)		
On bilateral basis **[Refer note 18 (b)]**	336.33	-
- From banks		
- Foreign currency loans		
Preshipment credit (secured) **[Refer note 18(c)]**	2,525.57	5,390.78
Preshipment packing credit (unsecured) **[Refer note 18(c)]**	407.87	600.00
Bill discounting with banks (secured) **[Refer note 18(d)]**	12,663.49	13,696.56
Bill discounting with banks (unsecured) **[Refer note 18(d)]**	7,295.82	6,439.44
Overdraft facilities (secured) **[Refer note 18 (f)(iii)]**	-	645.22
Rupee loans		
Preshipment credit (secured) **[Refer note 18 (f)(i)]**	3,550.00	
Preshipment credit (unsecured) **[Refer note 18 (f)(i)]**	400.00	
Carried over	32,857.68	33,695.47

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Brought over	32,857.68	33,695.47
Cash credit (secured) **[Refer note 18 (f)(iv)]**	23,138.28	16,484.55
Bill discounting with banks (unsecured) **[Refer note 18 (f)(ii)]**	49.32	259.53
Loans from companies and directors (unsecured) **[Refer note 18 (f)(vi)]**	21.02	17.97
Interest accrued but not due on borrowings	564.65	553.09
Total	**56,630.95**	**51,010.61**
Total secured loans	48,109.57	41,667.65
Total unsecured loans	27,111.18	26,855.68
	75,220.75	**68,523.33**

Changes in liabilities arising from financing activities

In ₹ Million

Particulars	Current borrowings	Non-current borrowings
Balance as on April 1, 2022	**38,657.48**	**17,876.56**
Net cash flows	4,257.95	4,553.90
Foreign exchange management	940.09	1,664.16
Reclassified from non-current to current	6,596.26	(6,596.26)
Others	558.83	14.36
Balance as on March 31, 2023	**51,010.61**	**17,512.72**
Net cash flows	(594.51)	7,054.98
Foreign exchange movement	197.31	27.61
Reclassified from non-current to current	6,014.93	(6,014.93)
Others	2.61	9.42
Balance as on March 31, 2024	**56,630.95**	**18,589.80**

(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, 2024		As at March 31, 2023	
	USD in Million	In ₹ Million	USD in Million	In ₹ Million
From				
- August, 2021 (Yearly installment over 3 years)			12.00	986.31
- October, 2021 (Yearly installment over 3 years)			20.00	1,643.85
- December, 2022 (18 months installment over 3 years)	32.00	2,664.32	32.00	2,630.16
- December 2023 (Quarterly installment for 12 quarters)	14.50	1,127.72	17.40	1,434.37

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

Date of repayment	Repayment schedule			
	As at March 31, 2024		As at March 31, 2023	
	EUR in Million	In ₹ Million	EUR in Million	In ₹ Million
From	-	-	-	-
- May, 2022 (Yearly installment over 3 years)	16.00	1,438.07	28.00	2,505.58
- February, 2020 (Yearly installment over 5 years)	-	-	10.00	894.85
- June 21 (Half yearly installment for 8 half years)	2.25	202.99	4.50	403.23
- January 23 (Monthly installment for 16 months)	7.43	670.32	9.90	887.12
- April 2021 (Quarterly installment for 32 quarters)	23.29	2,101.17	30.42	2,725.50
- December 2023 (Monthly installment for 12 months)	0.46	41.50	0.63	56.70

(a) Term loans are secured against general property, plant and equipment and specific property, plant and equipment of the Group.

(b) (i) **Rupee term loan on bilateral basis (Secured)**

Repayable in 84 monthly installments from date of start of repayment, along with interest at base rate + 3.45% . The loan is secured against land and guarantee given by directors of the concerned subsidiary.

(b) (ii) **Rupee term loan (Unsecured)**

During the current year, the group has availed the term loan of ₹ 1,037.30 million which ranges from 7.63% p.a. to 7.90% p.a from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- December 2022 (Quarterly installment for 4 years)	-	228.00
- March 2023 (Quarterly installment for 5 years)	-	569.95
- February 2024 (Quarterly installment over 3 years)	-	239.35

(b) (iii) **Rupee term loan (unsecured)**

During the current year, the Company has availed the term loan of ₹ 2,000 million @ 5.90% p.a. from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- April 2025 (Yearly installment over 3 years)	2,000.00	2,000.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

(b) (iv) **Rupee term loan (unsecured)**

During the current year, the Company has availed the term loan of ₹ 3,750 million @ 3 Month T-Bill + 95 bps from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- February 2027 (Yearly installment over 3 years)	3,749.99	-

(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 a 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, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
From		
- August 2023 (Yearly installment over 3 years)	4,000.00	5,000.00

(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 Holdiing 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.

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, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
On		
- April 2025	2,000.00	2,000.00

(e) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 7.80% p.a.**

During the current year, 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 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, 2024	As at March 31, 2023
	In ₹ Million	In ₹ Million
On		
- April 2027	1,250.00	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

18. BORROWINGS (CONTD.)

(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 packing credit - Rupee (secured and unsecured) is repayable within 90 days and carries interest @ 7.00% to 8.50% p.a.

Preshipment credit - foreign currency (secured and unsecured) is repayable within 90 days to 180 days and carries interest @ SOFR + 55 bps to SOFR + 150 bps p.a.

(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 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) **Overdraft facility (Foreign currency) (secured)**

During the previous year, the loan was secured against hypothecation of inventories and trade receivables.

Overdraft is repayable on demand and carries interest at EURIBOR/LIBOR + 2 to 3% per annum.

(g) **Loan availed for specific purpose and not used for the same:**

During the earlier year, a component in the Group has availed fresh term loans of ₹ 3,037.30 million and these funds have been utilised for the intended purpose. The Holding Company has raised term loans in the form of external commercial borrowings and non-convertible debentures during the previous year.

During the year ended March 31, 2024, the Company has availed of unsecured term loan and issued listed, rated, unsecured, redeemable, non-convertible debentures on a private placement basis. Proceeds from the said term loan have been partially utilised for the intended purpose and the balance amount has been parked in a designated bank account. Proceeds from non-convertible debentures pending utilisation have been parked in a fixed deposit with a bank.

(h) **Working capital facilities and statements filed with bank**

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 the 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 Holding Company.

(i) A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). During the previous year, the Company's working capital borrowings denominated in USD were earmarked to new benchmark rate i.e. SOFR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). As at March 31, 2023, the Company's Foreign Currency Term loans denominated in USD are indexed to US dollar LIBOR. During the year the benchmark for the instrument changed from USD LIBOR to SOFR post June 30, 2023 as announced by the Financial Conduct Authority (FCA). There is no material impact on company's finance cost consequent to such change in index. There is no material impact on group's finance cost consequent to such change in index.

(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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

19. OTHER FINANCIAL LIABILITIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Other non-current financial liabilities at amortised cost		
Voluntary retirement scheme compensation	115.82	273.12
Derivative liability*	32.50	-
Security deposits	104.77	117.97
Total	**253.09**	**391.09**
Other current financial liabilities at amortised cost		
Payables for capital goods	1,304.32	1,325.36
Security deposits	221.39	92.30
Directors commission	7.50	7.00
Investor Education and Protection Fund (as and when due) #		
- Unpaid dividend	35.16	38.00
- Unpaid matured deposits	0.04	0.04
Voluntary retirement scheme compensation	168.49	239.68
Purchase consideration payable	-	89.62
Others ***	77.51	7.44
Total	**1,814.41**	**1,799.44**

The Holding Company has declared interim as well as final dividend in past years. Though a large portion of this dividend has been paid to members of the Company, an amount of ₹ 0.13 million (previous year ₹ 0.55 million) has been pending over the period. Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unclaimed dividend shall be remitted online to Investor Education and Protection Fund ('IEPF') along with a Statement in 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 banks accounts (Refer Other Bank Balances in note 13).

*** Other include commission payable and other liabilities.

19 (A). DERIVATIVE INSTRUMENTS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	7.79	146.08
Total	**7.79**	**146.08**
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	9.32	46.38
Total	**9.32**	**46.38**

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).

Derivative instruments at fair value through profit or loss reflect the negative change in fair value of cross currency swaps, designated as fair value hedge through which the Company has converted one of its USD loans into a Euro loan to avail the benefit of the negative EURIBOR interest rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

20. PROVISIONS

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for gratuity **[Refer note 40]**	215.60	136.63
Provision for special gratuity **[Refer note 40]**	186.64	148.05
Provision for leave benefits	23.74	10.98
Provision for pension and similar obligation **[Refer note 40]**	1,139.62	830.04
Provision for jubilee scheme **[Refer note 40]**	72.98	89.81
Provision for early retirement **[Refer note 40]**	48.56	57.90
Provision for employee's provident fund **[Refer note 40]**	0.32	3.79
Provision for manpower cost optimisation **[Refer note 32(b)]**	119.38	134.53
Total	**1,806.84**	**1,411.73**
Current		
Provision for gratuity **[Refer note 40]**	127.59	116.62
Provision for special gratuity **[Refer note 40]**	11.70	19.47
Provision for leave benefits	728.26	650.91
Provision for commitment*	48.85	11.36
Provision for warranties**	456.01	-
Provision for pension and similar obligation **[Refer note 40]**	14.02	11.39
Provision for manpower cost optimisation **[Refer note 32(b)]**	113.68	91.57
Total	**1,500.11**	**901.32**

* In 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 present obligation under the contract.

** Provision for assurance type warranties predominantly cover risk arising from expected claims for damages on the products sold by the Company, based on 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, 2024	As at March 31, 2023
At the beginning of the year	-	-
Arising during the year	456.01	-
Utilised during the year	-	-
At the end of the year	**456.01**	**-**

Provision for onerous contracts

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	11.36	18.06
Add: Provision made during the year	-	6.71
Less: Provision reversed during the year	(2.97)	(13.41)
Balance at the end of the year	**8.39**	**11.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

20. PROVISIONS (CONTD.)

Provision for manpower cost optimisation

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	226.10	363.92
Add: Created during the year	10.20	143.36
Less: Utilised/reversed during the year	(44.48)	(302.65)
Less: Foreign currency transaction reserve	41.24	21.47
Closing balance	**233.06**	**226.10**

21. INCOME AND DEFERRED TAXES

The major components of income tax expense/(income) recognised for the year ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss:

Profit or loss section

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax:		
Current income tax charge	5,690.69	3,951.57
Deferred tax		
Relating to origination and reversal of temporary differences	(402.36)	(765.99)
Income tax expense reported in the statement of profit and loss	**5,288.33**	**3,185.58**

OCI section

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax related to items recognised in OCI:		
Net movement on cash flow hedges	38.81	(529.43)
Net loss on re-measurement of defined benefit plans	(59.45)	90.04
Net (loss)/gain on FVTOCI equity securities	224.43	(31.00)
Tax charged to/(Released from) OCI	**(245.07)**	**(408.39)**

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax from operations	14,389.92	8,269.45
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	3,621.66	2,081.26
Exceptional items	59.12	-
Tax impact of losses on which deferred tax asset is not recognised	1,672.51	1,332.84
Effect of differential rates	32.62	24.19
Adjustments in respect of reversal of tax expenses of earlier years	(162.92)	(98.74)
Other disallowances (including consolidation adjustments)	65.34	(153.97)
At the effective income tax rate of (36.75%) (March 31, 2023: 38.53%)	**5,288.33**	**3,185.58**
Income tax expense reported in the statement of profit and loss	**5,288.33**	**3,185.58**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

21. INCOME AND DEFERRED TAXES (CONTD.)

Major components of deferred tax as at March 31, 2024 and March 31, 2023:

Deferred tax liability (net)

In ₹ Million

Particulars	Balance Sheet	
	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	1,855.58	1,801.81
Fair valuation of cash flow hedges	455.79	418.34
Fair valuation of FVTOCI equity securities	227.78	446.12
Temporary differences in accounting treatment as required by Income tax standards	(848.66)	(513.00)
Net deferred tax liability	**1,690.49**	**2,153.27**

Deferred tax asset (net)

In ₹ Million

Particulars	Balance Sheet	
	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	81.65	2.01
Temporary differences in accounting treatment as required by Income tax standards	(420.63)	(290.78)
Unrealised profit on inventory	(1,312.66)	(1,206.53)
Net deferred tax asset	**(1,651.64)**	**(1,495.30)**

Major components of deferred tax for the year ended March 31, 2024 and March 31, 2023:

Deferred tax expense/(income)

In ₹ Million

Particulars	Statement of Profit and Loss	
	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	133.41	(163.12)
Unrealised profit on inventory	(106.13)	(495.94)
Temporary differences in accounting treatment as required by Income tax standards	(429.64)	(106.93)
Deferred tax (income)	**(402.36)**	**(765.99)**

Reflected in the balance sheet as follows

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	(620.88)	(66.88)
Deferred tax liabilities	2,311.37	2,220.15
Deferred tax liabilities (net)	**1,690.49**	**2,153.27**
Deferred tax assets	(1,733.29)	(1,497.31)
Deferred tax liabilities	81.65	2.01
Deferred tax assets (net)*	**(1,651.64)**	**(1,495.30)**

* Relates to temporary differences arising in different tax jurisdiction

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

21. INCOME AND DEFERRED TAXES (CONTD.)

Reconciliation of deferred tax liabilities and assets

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of deferred tax liabilities (net)		
Opening balance	2,153.27	2,889.16
Tax (expense) during the period recognised in profit or loss	(270.51)	(369.80)
Deferred tax liabilities on hedge	38.81	(529.43)
Deferred tax liabilities on business combination	25.31	134.76
Tax income during the period recognised in OCI	(256.39)	28.58
Closing balance	**1,690.49**	**2,153.27**
Reconciliation of deferred tax assets (net)		
Opening balance	(1,495.30)	(1,171.07)
Tax income/(expense) during the period recognised in profit or loss	(131.85)	(396.19)
Tax (expense)/income during the period recognised in OCI	(27.50)	93.25
Other adjustments (including FCTR)	3.01	(21.29)
Closing balance	**(1,651.64)**	**(1,495.30)**

(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 ₹ 2,564.16 million (March 31, 2023: ₹ 1,372.88 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 ₹ 2,394.55 million (March 31, 2023: ₹ 2,361.32 million) that are available for offsetting for twenty years and ₹ 5,473.05 million (March 31, 2023: ₹ 3,501.30 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 ₹ 2,087.96 million (March 31, 2023: ₹ 2,032.00 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 ₹ 6,245.32 million (March 31, 2023: ₹ 2,488.65) 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, 2024 and March 31, 2023, the group entities incorporated in India 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 Consolidated Financial Statements

for the year ended March 31, 2024

22. TRADE PAYABLES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Dues to micro enterprises and small enterprises	530.22	493.46
Dues to other than micro enterprises and small enterprises (including related parties payables)	22,091.00	21,019.94
Total	**22,621.22**	**21,513.40**

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 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 (Related parties) amounting to ₹ 720 million (March 31, 2023: ₹ 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, 2024

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)	-	292.46	229.72	7.58	-	0.46	530.22
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,495.71	10,584.57	7,784.40	535.14	223.81	434.91	22,058.54
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	13.37	19.09	32.46
Total	**2,495.71**	**10,877.02**	**8,014.12**	**542.72**	**237.18**	**454.46**	**22,621.22**

*Unbilled represents accrual for expenses

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

22. TRADE PAYABLES (CONTD.)

As at March 31, 2023

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)	-	270.23	223.23		-	-	493.46
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	4,038.13	6,463.97	9,612.86	267.49	182.89	174.75	20,740.09
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	279.85	-	-	-	279.85
Total	**4,038.13**	**6,734.20**	**10,115.94**	**267.49**	**182.89**	**174.75**	**21,513.40**

*Unbilled represents accrual for expenses

23. OTHER LIABILITIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Contract liabilities (advances from customers and deferred revenue) $	437.48	5,384.00
Government grant*	421.93	148.81
Settlement for anti-trust proceedings	2,012.01	2,271.40
Others**	25.01	76.45
Total	**2,896.43**	**7,880.66**
Current		
Contract liabilities (advances from customers and deferred revenue) $	6,267.29	3,702.22
Employee contributions and recoveries payable ****	612.61	620.14
Statutory dues payable including tax deducted at source **** #	1,123.21	963.43
Government grant*	75.77	425.79
Settlement for anti-trust proceedings	451.09	448.04
Others **	624.08	404.36
Total	**9,154.05**	**6,563.98**

* 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 on account of deferral given in relation to overseas subsidiaries granted on account of COVID support measures.

\# Includes payable with respect to Goods and Service Tax, Gram Panchayat Tax, With holding taxes, provident fund etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

23. OTHER LIABILITIES (CONTD.)

Government grant - investment subsidies and grants

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	574.60	627.46
Add: Received during the year	-	7.33
Less: Released to the statement of profit and loss	(81.74)	(91.24)
Less: Foreign currency transaction reserve	4.84	31.05
Closing balance	**497.70**	**574.60**

Break up of the financial liabilities at amortised cost

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings **[Refer note 18]**	75,220.75	68,523.33
Lease liabilities **[Refer note 43]**	4,254.55	4,609.04
Other financial liabilities **[Refer note 19]**	2,035.00	2,190.53
Trade payables **[Refer note 22]**	22,621.22	21,513.40
Total financial liabilities carried at amortised cost	**104,131.52**	**96,836.30**

Break-up of the financial liabilities at fair value through profit or loss

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative instruments **[Refer note 19(a)]**	7.79	146.08

24. REVENUE FROM OPERATIONS

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
- Sale of goods	148,230.08	121,496.31
- Tooling income	886.92	708.00
Total sale of products	**149,117.00**	**122,204.31**
Sale of services		
- Job work charges	1,276.74	684.79
- Service type warranty	35.67	-
Other operating revenues		
- Manufacturing scrap	5,143.67	5,127.15
- Government grants - export incentives **[Refer note 10]**	1,203.22	1,039.83
- Sale of electricity/REC - Windmills	44.41	46.51
Total	**6,391.30**	**6,213.49**
Total Revenue from operations	**156,820.71**	**129,102.59**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

24. REVENUE FROM OPERATIONS (CONTD.)

Set out below is the amount of revenue recognised from

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts included in contract liabilities at the beginning of the year	319.20	497.17
Performance obligations satisfied (or partially satisfied) in previous year	63.61	-

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, 2024	Year ended March 31, 2023
Sale of products	149,117.00	122,204.31
Sale of services	1,312.41	684.79
Manufacturing scrap	5,143.67	5,127.15
Subtotal:	**155,573.08**	**128,016.25**
Add/(less): Adjustments (sales returns, discounts, hedging etc.)	(1,358.88)	343.20
Revenue as per contracted price	**154,214.20**	**128,359.45**

25. OTHER INCOME

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Dividend income from investments	5.67	5.11
Net gain on fair valuation of financial instruments (FVTPL)	198.46	(654.12)
Net gain on sale of financial investments	646.46	1,432.67
Government grants*	154.13	120.17
Provision for doubtful debts and advances written back (net)	-	18.06
Liabilities/provisions no longer required written back	156.68	98.10
Interest income on assets measured at amortised cost		
- Fixed deposits and others**	759.64	291.94
- Loan to associates	-	1.33
Rent **[Refer note 43(b)]**	43.40	43.34
Gain on sale/discard of property, plant and equipment (net)	-	42.72
Miscellaneous income ***	309.80	329.25
Total	**2,274.24**	**1,728.57**

* Includes government grant on pre shipment credit and bill discounting where the Holding Company has availed the benefit of 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

26. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year **[Refer note 11]**	7,256.59	6,349.74
Inventory on acquisition	15.10	170.97
Add: Purchases	71,595.06	61,385.81
Less: Inventory as at end of the year [Refer note 11]	7,482.94	7,256.59
Total	**71,383.81**	**60,649.93**

27. DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, TRADED GOODS, DIES AND SCRAP

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the end of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	10,455.38	9,564.13
Finished goods [includes items lying with third parties and items in transit]	10,982.89	11,839.86
Stock of traded goods [includes items lying with third parties and items in transit]	-	3.25
Dies and dies under fabrication	265.97	241.19
Scrap	98.24	139.36
	21,802.48	**21,787.79**
Add: Inventory on acquisition	27.38	266.33
Inventories at the end of the year (including Inventory on acquisition)	**21,829.86**	**21,521.46**
Inventories at the beginning of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	9,564.13	7,777.52
Finished goods [includes items lying with third parties and items in transit]	11,839.86	10,422.00
Stock of traded goods [includes items lying with third parties and items in transit]	3.25	355.26
Dies and dies under fabrication	241.19	187.14
Scrap	139.36	79.11
	21,787.79	**18,821.03**
Total	**(42.07)**	**(2,700.43)**

28. EMPLOYEE BENEFITS EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus (including managing and whole time directors remuneration)	15,897.39	13,361.62
Contributions to provident and other funds/scheme (net) **[Refer note 40]**	1,474.98	789.33
Share based payments **[Refer note 61]**	89.96	21.11
Staff welfare expenses	1,137.64	1,458.94
Total	**18,599.97**	**15,631.00**

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The draft rules have been released by The Ministry of Labour and Employment on November 13, 2020. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

29. FINANCE COSTS

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on bank facilities under ammortised cost method	4,239.69	2,382.57
Exchange differences regarded as an adjustment to borrowing costs **	(44.12)	250.03
Interest on lease liabilities **[Refer note 43]**	341.12	276.07
Others#	374.98	77.53
Total	**4,911.67**	**2,986.20**

** Represents exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Others includes net interest expense on defined benefit plans **[Refer note 40]** etc.

30. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSE

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment **[Refer note 3]**	7,653.71	6,688.38
Amortisation on other intangible assets **[Refer note 5]**	232.50	236.31
Depreciation on right-of-use asset **[Refer note 43]**	595.76	431.17
Total	**8,481.97**	**7,355.86**

31. OTHER EXPENSES

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores, spares and tools	5,977.91	5,419.98
Machining/subcontracting charges	5,259.28	4,422.03
Power, fuel and water*	7,741.98	8,343.53
Less: Credit for energy generated	77.03	64.69
	7,664.95	**8,278.84**
Repairs and maintenance		
- Building repairs and road maintenance	245.46	254.24
- Plant and machinery	2,419.16	1,756.48
Contract labour charges	2,509.07	1,634.12
Rent **[Refer note 43 (a)]**	163.03	195.34
Rates and taxes	311.95	220.76
Insurance	333.59	309.44
CSR Expenditure	209.15	160.50
Legal and professional fees	1,593.04	1,144.75
Commission	131.46	133.34
Donations	4.21	1.25
Packing material	1,257.42	1,159.75
Freight and forwarding charges	4,602.49	6,217.71

31. OTHER EXPENSES (CONTD.)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Directors' fees and travelling expenses	9.41	5.63
Commission to directors other than managing and whole time directors	7.50	7.00
Loss on sale/discard of property, plant and equipment (Net)	35.67	25.69
Provision for doubtful debts and advances (includes expected credit loss) (net)	189.75	70.44
Bad debts/advances written off/back (net)	98.04	72.46
Exchange difference (net)** $	81.46	89.17
Payment to Auditors***	181.50	120.94
Miscellaneous expenses ****	5,563.93	4,482.97
	38,849.43	**36,182.83**

* Net of government grant in the nature of energy tax refund with respect to some of the subsidiaries amounting to ₹ 228.85 million (March 31, 2023: ₹ 176.11 million)

*** Includes ₹ 124.63 million (March 31, 2023: ₹ 88.32 million) paid to subsidiary auditors

**** Miscellaneous expenses include labour charges, travelling expenses, printing, stationery, postage, telephone, etc.

Capitalisation of expenditure

The Group has capitalised the following expenses of revenue nature to the cost of 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, 2024	Year ended March 31, 2023
Interest on bank facilities	27.43	34.93
Interest on lease liabilities	6.90	5.49
Salaries, wages and bonus	44.63	75.39
Depreciation on right-of-use assets	8.58	14.86
Consumption of stores and spares and loose tools	3.33	22.39
Others	12.84	12.68
Total	**103.71**	**165.74**

32. EXCEPTIONAL ITEMS

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Voluntary retirement scheme compensation **[Refer note 32(a)]**	(20.97)	(442.08)
Provision for Impairment of loan given **[Refer note 32(b)]**	(102.26)	-
Provision for manpower cost optimisation in overseas subsidiaries **[Refer note 32(c)]**	-	(15.83)
Total	**(123.23)**	**(457.91)**

(a) Voluntary retirement scheme compensation

During the previous year, the Holding Company announced Voluntary Retirement Schemes (VRS) on April 28, 2022, and January 13, 2023 for its permanent eligible employees who have attained 40 years of age and have completed 10 years of service with the Company. The scheme announced on January 13, 2023 is extended until May 31, 2024, and the amount of expenditure under these schemes is disclosed as an exceptional item.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

32. EXCEPTIONAL ITEMS (CONTD.)

(b) Provision for impairment of loan given to Tevva Motors Limited

During the current year, the Group has made provision for impairment of loan given to Tevva Motors Limited basis future projections and revenue market multiple of comparable companies in the similar segment for fair valuation of the entity.

(c) Provision for manpower cost optimisation in Overseas subsidiaries

Certain overseas subsidiaries, as a part of one off cost optimisation initiative, have decided to rationalise the manpower cost in relation to its activities.

On account of these actions, cost of redundancy payment to employees is provided for.

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, 2024

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI Reserve	Retained earnings	Foreign currency translation differences	Income tax/ Deferred tax effect	Total
Currency forward contracts	1,360.82	-	-	-	(342.49)	1,018.33
Reclassified to statement of (profit) or loss	(1,210.58)	-	-	-	303.68	(906.90)
Gain on FVTOCI financial assets	-	(1,493.84)	-	-	218.35	(1,275.49)
Re-measurement gains/(losses) on defined benefit plans (including share of associate, joint ventures)	-	-	(236.20)	-	65.53	(170.67)
Foreign exchange translation difference	-	-	-	103.50	-	103.50
Total	**150.24**	**(1,493.84)**	**(236.20)**	**103.50**	**245.07**	**(1,231.23)**

During the year ended March 31, 2023

In ₹ Million

Particulars	Cash flow hedge reserve	FVTOCI Reserve	Retained earnings	Foreign currency translation differences	Income tax/ Deferred tax effect	Total
Currency forward contracts	(725.37)	-	-	-	182.56	(542.81)
Reclassified to statement of (profit) or loss	(1,378.19)	-	-	-	346.86	(1,031.33)
Gain on FVTOCI financial assets	-	242.59	-	-	(11.49)	231.10
Re-measurement gains/(losses) on defined benefit plans (including share of associate, joint ventures)	-	-	357.75	-	(109.54)	248.21
Foreign exchange translation difference	-	-	-	397.45	-	397.45
Total	(2,103.56)	242.59	357.75	397.45	408.39	(697.38)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

34. EARNINGS PER SHARE

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Numerator for basic and diluted EPS			
Net profit after tax attributable to equity holders of parent (in ₹ million)	(A)	9,511.28	5,283.64
Denominator for basic EPS [Refer note 15(b)]			
Weighted average number of equity shares for basic EPS	(B)	465,588,632	465,588,632
Denominator for diluted EPS [Refer note 15(b)]			
Weighted average number of equity shares for diluted EPS	(C)	465,588,632	465,588,632
Basic earnings per share of face value of ₹ 2 each (in ₹)	(A/B)	20.43	11.35
Diluted earnings per share of face value of ₹ 2 each (in ₹)	(A/C)	20.43	11.35

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires the 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 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, 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 – 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 whether or not to exercise the option to renew or terminate the lease. Accordingly, it considers all relevant factors that create an economic incentive for it to exercise either the renewal 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 period (i.e., three to five years). The Company typically exercises its option to renew for 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, the renewal options for leases of motor vehicles 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 note 43 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

1) Leases (contd.)

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 of 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 the changes in risks and estimates during the lifecycle of the customer contracts, in order to apply hedge accounting, the 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 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 rights 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. Also, in case of all the joint arrangements, the Group has an interest in the net assets of the joint arrangements and accordingly the same is considered as joint ventures. Further, with respect to certain subsidiaries in regulated segments, the Group has evaluated and believes that it exercises control over such subsidiaries in accordance with the terms of the Foreign Direct investment & Foreign Investment Promotion Board Policies.

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 interest. 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 judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

6) Revenue from contracts with customers (contd.)

I. Identifying contract with customers

The Group enters into Master service agreement ('MSA') with its customers which define the key terms of the contract with customers. However, the rates for quantity to be supplied is separately agreed through purchase orders. The management has exercised judgement to determine that contract with customers for the purpose of Ind AS 115 is MSA and customer purchase orders for the purpose of identification of performance obligations and other associated terms.

II. Identifying performance obligation

The Group enters into contract with customers for tooling income and 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 stand-alone 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 goods are to be recognised at a point in time because they does 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 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:

a. Sale of goods

The goods manufactured are "Build to print" as per design specified by the customer for which the tools/ dies are approved before the commercial production commences. Further, the dispatch of goods is made on the basis of the purchase orders obtained from the customer taking into account the just-in-time production model with 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. The 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 subsidiaries of the Group has entered into a factoring arrangement. Based on the terms agreed with the counterparty, it is considered to be a non-recourse arrangement and accordingly, respective trade receivable balance has been derecognised as per the terms of the agreement.

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 cashflows. The Legal team regularly analyses current information about these matters and assesses the requirement for provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, the management considers the degree of probability of an unfavourable outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a law suit 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 foresees remote risk of any material claim arising from claims against

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations (contd.)

the Group. The 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 arising 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 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 as the case may be.

B. Defined benefit plans

The cost of the defined benefit gratuity plans, other defined benefit plans and other post-employment plans are 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 interval 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.

C. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations (contd.)

D. 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 investments are based on complex assumptions. It involves management's judgement with respect to 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 key variable on the valuation. The management believes that no impairment is required as at the reporting period end based on the procedures performed.

E. 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.

F. Provision for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves 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. The management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

G. 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 terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

H. Contingent consideration

The Group has a legal obligation to pay additional consideration upon fulfilment of certain milestones in relation to businesses/joint ventures acquired in the past. Assessment in relation to determination of the fulfilment of such milestones involves estimation. Accordingly, the management has concluded basis such assessment that the prescribed milestones will not be achieved and hence no impact has been taken in the financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations (contd.)

I. **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 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 note 48 and 49 for further disclosures.

36. GROUP INFORMATION

The consolidated financial statement 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, 2024	March 31, 2023	
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**	Others	India	100%	100%	March 31
i.	Kalyani Rafael Advanced Systems Private Limited **	Others	India	50%*	50%*	March 31
ii.	Analogic Controls India Limited$	Others	India	NA	NA	March 31
iii.	Sagar Manas Technologies Limited	Others	India	51%*	51%*	March 31
iv.	Kalyani Strategic Systems Australia Pty Limited	Others	Australia	100%	NA	March 31
v.	Zorya Mashproekt India Private Limited (w.e.f. January 24, 2024)	Others	India	64.94%*	NA	March 31

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for the year ended March 31, 2024

36. GROUP INFORMATION (CONTD.)

	Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
				March 31, 2024	March 31, 2023	
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	Others	India	64.29%*	64.29%*	March 31
	a) Lycan Electric Private Limited	Others	India	64.29%*	64.29%*	March 31
iii.	Electroforge Limited (incorporated w.e.f. July 25, 2022)	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	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 (w.e.f. July 01, 2022)	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 (w.e.f. March 02, 2023)	Projects	India	100%*	100%*	March 31
ii.	BFIL CEC-JV	Projects	India	74%*	74%*	March 31
8)	**Kalyani Lightweighting Technology Solutions Limited (incorporated w.e.f. July 12, 2022)**	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)	**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 Holding Company has not yet invested in Indigenous IL Limited and operations have not yet commenced

$ merged with Kalyani Strategic Systems Limited.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	March 31, 2023	
1)	Talbahn GmbH (not consolidated)	Others	Germany	35%*	35%*	March 31
2)	Ferrovia Transrail Solutions Private Limited (up to March 1, 2023)	Projects	India	NA	NA	March 31
3)	Aeron Systems Private Limited	Others	India	37.14%*	37.14%*	March 31
4)	Avaada MHVidarbha Private Limited (w.e.f. April 14, 2022)	Others	India	26%	26.00%	March 31
5)	Ratnakar Energy Private Limited (w.e.f. November 6, 2023)**	Others	India	26%*	NA	March 31

* held through subsidiaries

** Since the Group does not exercise signifcant influence over the associate and it is a short-term arrangement, the associate will not be consolidated.

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, 2024	March 31, 2023	
1)	BF Premier Energy Systems Private Limited #	Others	India	NA *	NA *	March 31
2)	BF NTPC Energy Systems Limited**	Projects	India	51%	51%	March 31
3)	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

\# During the previous year BF Premier Energy System Pvt. Ltd. has applied with Registrar of companies for removing its name pursuant to section 248(2) of the Company Act 2013 and Rule 4(1) of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 vide form no STK - 2 on March 2, 2023. The said strike off is approved by the Group and also by its JV partner. The entity was struck off w.e.f November 25,2023.

37. MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests based on IND AS Financial Statement is provided below:

Proportion of equity interest held by non-controlling interests:

Particulars	Country of incorporation	% equity interest	
		March 31, 2024	March 31, 2023
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%

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Particulars	Country of incorporation	% equity interest	
		March 31, 2024	March 31, 2023
Tork Motors Private Limited	India	35.71%	35.71%
Lycan Electric Private Limited	India	35.71%	35.71%
Sagar Manas Technologies Limited	India	49%	49%
Zorya Mashproekt India Private Limited	India	35.07%	NA

Information regarding non-controlling interest

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Accumulated balances of material non-controlling interest:		
Kalyani Rafael Advanced Systems Private Limited	220.29	191.95
BF Elbit Advanced Systems Limited	(82.52)	(72.57)
Eternus Performance Materials Private Limited	(3.49)	(2.26)
Tork Motors Private Limited	(184.35)	243.65
Zorya Mashproekt India Private Limited	1.43	0.00
Sagar Manas Technologies Limited	(0.12)	(0.05)
Total Comprehensive income allocated to material non-controlling interest:		
Kalyani Rafael Advanced Systems Private Limited	28.34	6.47
BF Elbit Advanced Systems Limited	(9.95)	(9.37)
Eternus Performance Materials Private Limited	(1.23)	0.09
Tork Motors Private Limited	(428.00)	(197.19)
Zorya Mashproekt India Private Limited	(0.09)	-
Sagar Manas Technologies Limited	(0.07)	(0.05)

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, 2024

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	January 24, 2024 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024
Revenue	1.77	-	2,726.26	-	7.00	593.32
Other income	0.09	-	28.34	-	0.00	2.47
Cost of raw materials and components consumed	-	-	414.66	-	5.35	893.04
Purchase of stock in trade	-	-	2,370.37	-	-	-
(Increase)/decrease in inventories of finished goods, work-in-progress, traded goods, dies & scrap	-	-	(250.06)	-	(1.83)	16.98

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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**
Employee benefits expense	1.71	-	34.27	-	3.64	336.37
Depreciation and amortisation expense	0.01	-	22.69	2.02	0.30	173.52
Finance costs	-	-	5.45	18.12	0.35	63.75
Other expenses	0.40	0.15	83.42	0.15	1.70	307.04
Profit/(loss) before tax	**(0.26)**	**(0.15)**	**73.79**	**(20.29)**	**(2.51)**	**(1,194.90)**
Income tax	-	-	17.12	-	-	-
Profit/(loss) for the year	**(0.26)**	**(0.15)**	**56.68**	**(20.29)**	**(2.51)**	**(1,194.90)**
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	-	-	0.04	-	-	(3.63)
Other comprehensive income for the year, net of tax	**-**	**-**	**0.04**	**-**	**-**	**(3.63)**
Total comprehensive income	**(0.26)**	**(0.15)**	**56.72**	**(20.29)**	**(2.51)**	**(1,198.53)**
Total Comprehensive Income attributable to non-controlling interests**	**(0.09)**	**(0.07)**	**28.34**	**(9.95)**	**(1.23)**	**(428.00)**
Profit/(loss) attributable to non-controlling interests	**(0.09)**	**(0.07)**	**28.32**	**(9.94)**	**(1.23)**	**(426.70)**
Other comprehensive Income/(loss) attributable to non-controlling interests	**-**	**-**	**0.02**	**-**	**-**	**(1.30)**
Dividend paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**

Summarised statement of profit and loss for the year ended March 31, 2023

In ₹ Million

Particulars	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, 2022 to March 31, 2023	April 1, 2022 to March 31, 2023	April 1, 2022 to March 31, 2023	April 1, 2022 to March 31, 2023	April 1, 2022 to March 31, 2023
Revenue	-	1,313.05	-	12.11	355.59
Other Income	-	13.96	-	0.36	4.05
Cost of raw material and components consumed	-	241.62	-	2.87	437.77
Purchase of stock in trade	-	923.87	-	-	-
(Increase)/decrease in inventories of finished goods, work-in-progress, dies and scrap	-	7.09	-	1.54	(29.69)
Employee benefits expense	-	28.73	-	3.63	154.60
Depreciation and amortisation expense	-	23.44	2.56	0.68	162.33
Finance costs	-	3.42	16.29	0.70	27.38
Other expenses	0.11	81.34	0.27	2.87	158.81

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

In ₹ Million

Particulars	Sagar Manas Technologies Limited*	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Profit/(Loss) before tax	**(0.11)**	**17.50**	**(19.12)**	**0.18**	**(551.56)**
Income tax	-	4.34	-		0.16
Profit/(Loss) for the year	**(0.11)**	**13.16**	**(19.12)**	**0.18**	**(551.40)**
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	-	(0.22)	-	-	(0.47)
Other comprehensive income for the year, net of tax	**-**	**(0.22)**	**-**	**-**	**(0.47)**
Total comprehensive income	**(0.11)**	**12.94**	**(19.12)**	**0.18**	**(551.87)**
Total Comprehensive Income attributable to non-controlling interests**	**(0.05)**	**6.47**	**(9.37)**	**0.09**	**(197.19)**
Profit/(Loss) attributable to non-controlling interests	**(0.05)**	**6.58**	**(9.37)**	**0.09**	**(197.02)**
Other comprehensive Income/(Loss) attributable to non-controlling interests	**-**	**(0.11)**	**-**	**-**	**(0.17)**
Dividend paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**

* On September 20,2022, Kalyani Strategic Systems Limited transferred 49% stake to Open Joint Stock Company Dastan Transnational Corporation Ltd. ("Dastan")

** 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, 2024:

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)	8.34	-	2,398.27	8.88	23.68	132.57
Property, plant and equipment and other non-current financial and non-financial assets	0.10	-	154.19	15.96	14.31	846.67
Trade and other payables (current) and (non-current)	(3.93)	(0.26)	(2,117.71)	(3.05)	(18.69)	(1,073.21)
Interest-bearing loans and borrowing and deferred tax liabilities (current) and (non-current)	(0.43)	-	-	(190.18)	(23.54)	(578.43)
Total equity	**4.08**	**(0.26)**	**434.75**	**(168.39)**	**(4.24)**	**(672.40)**
Attributable to:						
Equity holders of parent	2.65	(0.14)	214.46	(85.87)	(0.75)	(488.05)
Non-controlling interest*	1.43	(0.12)	220.29	(82.52)	(3.49)	(184.35)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Summarised balance sheet as at March 31, 2023:

In ₹ Million

Particulars	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)	-	1,242.88	8.48	20.20	209.79
Property, plant and equipment and other non-current financial and non-financial assets	-	115.10	17.98	14.28	1,010.88
Trade and other payables (current) and (non-current)	(0.11)	(979.97)	(0.70)	(14.61)	(441.21)
Interest-bearing loans and borrowing and deferred tax liabilities (current) and (non-current)	-	-	(173.87)	(21.59)	(343.35)
Total equity	**(0.11)**	**378.01**	**(148.11)**	**(1.72)**	**436.11**
Attributable to:					
Equity holders of parent	(0.06)	186.06	(75.54)	0.54	192.46
Non-controlling interest*	(0.05)	191.95	(72.57)	(2.26)	243.65

* The share of total equity of non-controlling interest in case of Eternus Performance Materials Private Limited includes accumulated losses for the pre- acquisition period.

** Non-controlling interest is calculated at consolidated level for Tork Motors Private Limited and Lycan Electric Private Limited.

Summarised cash flow information for the year ended March 31, 2024:

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	(0.15)	-	391.82	1.81	0.56	(145.15)
Investing	5.44	-	(371.47)	-	(0.25)	(43.14)
Financing	(0.18)	-	(8.38)	(1.81)	(0.03)	170.41
Net increase/(decrease) in cash and cash equivalents	**5.11**	**-**	**11.97**	**-**	**0.28**	**(17.88)**

Summarised cash flow information for the year ended March 31, 2023:

In ₹ Million

Particulars	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	(28.44)	523.87	(1,754.54)	(1.67)	(258.86)
Investing	-	511.40	-	(0.17)	(33.42)
Financing	75.00	(65.45)	610.92	1.86	297.71
Net increase/(decrease) in cash and cash equivalents	**46.56**	**969.82**	**(1,143.62)**	**0.02**	**5.43**

** Non-controlling interest is calculated at consolidated level for Tork Motors Private Limited and Lycan Electrric Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

38. INTEREST IN JOINT VENTURES

Refu Drive GmbH

The Group has acquired a 50% interest in Refu Drive Gmbh on September 19, 2019, a joint venture incorporated in Germany, involved in manufacturing and selling onboard 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. The summarised financial information of the joint venture, based on its Ind AS financial statements for the period April 1, 2023 to March 31, 2024 is as follows:

Summarised balance sheet

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Current assets	722.73	505.45
Non-current assets	221.59	228.84
Current liabilities	(511.69)	(458.10)
Non-current liabilities	(544.47)	(396.76)
Equity	**(111.84)**	**(120.57)**
Share of the Group in the capital commitment, contingent liabilities of jointly controlled entity	-	-
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	396.69	360.27

The Group has invested an amount of ₹ 919.14 million in equity shares. The Group's Share of equity is ₹ (55.92) million.

Summarised statement of profit and loss for the year/period ended:

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Income		
Revenue	1,962.01	1,328.74
Other income	63.40	65.77
	2,025.41	**1,394.51**
Expenses		
Cost of raw material and components consumed	216.01	1,704.28
Purchase of stock in trade	4.88	3.07
(Increase)/decrease in inventories of finished goods, work-in-progress, dies and scrap	874.16	(682.70)
Employee benefits expense	546.76	455.82
Depreciation and Amortisation	59.26	110.19
Finance costs	20.92	6.85
Other expenses	227.68	451.30
	1,949.68	**2,048.81**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

38. INTEREST IN JOINT VENTURES (CONTD.)

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Loss before tax	**75.73**	**(654.30)**
Tax expenses/(income)	2.99	2.60
Profit/(Loss) for the year	**72.74**	**(656.90)**
Other comprehensive income/(loss) for the period	**-**	**(0.99)**
Total comprehensive income/(loss) for the period	**72.74**	**(657.89)**
Group's share of loss for the period	**36.37**	**(328.45)**
Group's share of other comprehensive income/(loss) for the period	**-**	**(0.49)**

39. INVESTMENT IN AN ASSOCIATE

1. **Ferrovia Transrail Solutions Private Limited**

The Group was holding 49% interest in Ferrovia Transrail Solutions Private Limited (FTSPL), investment through wholly owned subsidiary till March 2, 2023 and post acquisition of equity shares, the Group holds 100% interest in FTSPL as at March 31, 2023. Accordingly FTSPL has ceased to be an associate w.e.f March 02, 2023. FTSPL was involved in carrying out the project of design, procurement, construction of railway track and railway track-related work. The Group's interest in FTSPL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the Group's investment in Ferrovia Transrail Solutions Private Limited based on its audited IND AS financial statements:

Summarised Balance sheet

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Current assets	NA	NA
Non-current assets	NA	NA
Current liabilities	NA	NA
Non-current liabilities	NA	NA
Equity	**NA**	**NA**
Share of the Group in the capital commitment, contingent liabilities of associates*	NA	NA
Proportion of the Group's ownership	NA	NA
Carrying amount of the investment and loan*	**NA**	**NA**

* The Group has a constructive obligation to make payments on behalf of the associate whenever required. Accordingly, BF Infrastructure limited, its' holding company, has absorbed the gain for the year and adjusted the same against the loan given to FTSPL being long-term interest of the Group in the said associate. The management has used judgement in determining whether such loan constitutes the Group's long-term interest in Ferrovia.

Summarised statement of profit and loss for the year ended:

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Income		
Revenue from operations	NA	-
Other income	NA	-
	NA	**-**
Expenses		
Employee benefits expenses	NA	0.89
Finance costs	NA	0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

39. INVESTMENT IN AN ASSOCIATE (CONTD.)

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Other expenses	NA	1.92
	NA	**2.82**
Profit/(Loss) before exceptional items and tax	**NA**	**(2.82)**
Exceptional Items - Gain	NA	-
Profit/(loss) before tax	**NA**	**(2.82)**
Tax expenses		
Current tax	NA	0.00
Deferred tax	NA	(0.03)
Profit/(loss) for the year	**NA**	**(2.79)**
Other comprehensive income	**NA**	**0.02**
Total comprehensive income/(loss) for the year	**NA**	**(2.77)**
Group's share of Profit/(loss) for the year	**NA**	**(2.79)**
Group's share of other comprehensive income/(loss) for the year	**NA**	**0.02**

2. **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 additional 3.58% stake was acquired to reach 26.00% ownership. Further on March 9, 2021 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 face value ₹ 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 of technology products such as Inertial Navigation Systems (INS) and IoT devices for industries such as 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 as follows:

Summarised Balance sheet

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Current assets	336.72	197.11
Non-current assets	268.46	251.88
Current liabilities	(299.32)	(194.76)
Non-current liabilities	(31.23)	(12.01)
Equity	**274.63**	**242.22**
Share of the Group in the capital commitment, contingent liabilities of associates	-	0.00
Proportion of the Group's ownership	37.14%	37.14%
Carrying amount of the investment	**126.91**	**114.90**

The Group has invested an amount of ₹ 140.00 million in equity shares. The Group's share of equity is ₹ 102.00 million.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

39. INVESTMENT IN AN ASSOCIATE (CONTD.)

Summarised statement of profit and loss for the year/period ended:

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Income		
Revenue from operations	501.91	283.25
Other income	2.03	5.58
	503.94	**288.83**
Expenses		
Cost of Material Consumed	273.65	155.80
Changes in inventories	(13.17)	(3.54)
Employee benefit expenses	73.87	48.17
Finance cost	18.91	16.44
Depreciation and amortisation	43.87	40.71
Other expenses	46.07	32.98
Profit/(Loss) before tax	**60.74**	**(1.73)**
Income tax expense		
Current tax	(25.43)	(1.93)
Deferred tax	(1.95)	1.66
Profit/(loss) for the year	**33.36**	**(2.00)**
Other comprehensive income/(loss) for the year	**(1.03)**	**(1.14)**
Total comprehensive income/(loss) for the year	**32.33**	**(3.14)**
Group's share of Profit/(loss) for the year	**12.39**	**(0.74)**
Group's share of other comprehensive income/(loss) for the year	**(0.38)**	**(0.42)**

3. **Avaada MHVidarbha Private Limited**

The Group has acquired 26% stake in Avaada MHVidarbha Private Limited on April 14, 2022. Avaada MHVidarbha Private Limited is inolved 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 as follows:

Summarised Balance sheet

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Current assets	96.84	74.67
Non-current assets	1,402.23	1,424.59
Current liabilities	(178.67)	(279.16)
Non-current liabilities	(881.25)	(797.65)
Equity	**439.15**	**422.46**
Share of the Group in the capital commitment, contingent liabilities of associates	-	-
Proportion of the Group's ownership	26%	26%
Carrying amount of the investment	**115.74**	**111.35**

The Group has invested an amount of ₹ 113.75 million in equity shares. The Group's share of equity is ₹ 114.18 million.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

39. INVESTMENT IN AN ASSOCIATE (CONTD.)

Summarised statement of profit and loss for the year/period ended:

In ₹ Million

Particulars	March 31, 2024	March 31, 2023
Income		
Revenue from operations	169.18	23.35
Other income	7.70	3.94
	176.88	**27.29**
Expenses		
Cost of Material Consumed	-	-
Changes in inventories	-	-
Employee benefit expenses	-	-
Finance cost	90.75	17.34
Depreciation and amortisation	45.88	10.59
Other expenses	19.89	10.51
	156.52	**38.44**
Profit/(loss) before tax	**20.36**	**(11.16)**
Income tax expense		
Current tax	-	-
Deferred tax	3.46	(1.91)
Profit/(loss) for the year	**16.90**	**(9.25)**
Other comprehensive income/(loss) for the year	**-**	**-**
Total comprehensive income/(loss) for the year	**16.90**	**(9.25)**
Group's share of income/(loss) for the year	**4.39**	**(2.40)**
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 Holding Company has a defined benefit gratuity plan for its employees. The gratuity plan is 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 employee's length of service and salary at retirement age. An 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. In the case of certain categories of employees who have completed 10 years of service, gratuity is calculated based on 30 days salary (last drawn) for each completed year of service and the cap for gratuity is 20 years. The scheme is funded by insurance companies in the form of a 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 the Company takes on uncertain long-term obligations to make future benefit payments.

1) **Liability risks**

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the 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, 2024

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 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 result in higher future defined benefit payments resulting in a higher present value of liabilities, especially unexpected salary increases provided at the 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 (majorly 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 the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are 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 is shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.50%
Expected rate of return on plan assets	7.50%	7.20%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)	10.79*	11.00*
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, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the period	1,314.50	1,216.31
Interest expense	93.90	85.92
Current service cost	82.11	78.24
Benefits (paid)	(125.13)	(45.90)
Remeasurements on obligation [actuarial (gain)/loss]	86.25	(20.07)
Closing defined benefit obligation	**1,451.63**	**1,314.50**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Opening fair value of plan assets	1,136.07	992.39
Interest income	85.11	73.77
Contributions	122.50	110.28
Benefits paid	(125.13)	(45.90)
Remeasurements- Return on plan assets, excluding amount included in Interest Income	(13.85)	5.53
Closing fair value of plan assets	1,204.70	1,136.07
Actual return on plan assets	**71.26**	**79.30**

Net interest (income)/expense

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expense on defined benefit obligation	93.90	85.92
Interest (income) on plan assets	(85.11)	(73.77)
Net Interest Expense for the period	**8.79**	**12.15**

Remeasurement for the period [actuarial (gain)/loss]

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Experience (gain)/loss on plan liabilities	53.94	9.76
Financial (gain)/loss on plan liabilities	32.30	(29.83)
Experience (gain)/loss on plan assets	17.25	(2.46)
Financial (gain)/loss on plan assets	(3.40)	(3.07)

Amount recognised in the statement of Other Comprehensive Income (OCI)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement (gain)/loss for the period on defined benefit obligation		
(Gain)/loss on plan liabilities due to experience assumptions	53.94	9.76
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	32.30	(29.83)
Remeasurement (gain)/loss for the period on plan asset		
(Gain)/loss on plan assets due to experience assumptions	17.25	(2.46)
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	(3.40)	(3.07)
Total remeasurement cost for the period recognised in OCI	**100.09**	**(25.60)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Present value of obligation	(1,451.63)	(1,314.50)
Fair value of plan assets	1,204.70	1,136.07
Net asset/(liability) to be recognised in the balance sheet	**(246.93)**	**(178.43)**

Expense recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost **[Refer note 28]**	82.11	78.24
Net interest (income)/expense **[Refer note 30]**	8.79	12.15
Net periodic benefit cost recognised in the statement of profit and loss	**90.90**	**90.39**

Reconciliation of net asset/(liability) recognised:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the period	(178.43)	(223.92)
Holding Company's contributions	122.50	110.28
Expense recognised for the year	(90.90)	(90.39)
Amount recognised in OCI	(100.09)	25.60
Net asset/(liability) recognised at the end of the period	**(246.92)**	**(178.43)**

The Holding Company expects to contribute ₹ 122.50 million to gratuity fund in the next year (March 31, 2023: ₹ 110.00 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, 2024	As at March 31, 2023
Funds managed by insurer	100.00%	100.00%

Sensitivity analysis:

A) **Impact of change in discount rate when a base assumption is a decrease/increase in the present value of obligation**

In ₹ Million

Discount rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	1,575.35	1,418.46
Increase by 1%	1,346.39	1,222.90

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

B) **Impact of change in rate of increase in compensation levels on defined benefit obligation**

In ₹ Million

Salary increment rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	1,356.87	1,231.55
Increase by 1%	1,560.75	1,406.45

C) Impact of change in withdrawal rate when base assumption is decreased/increased on defined benefit obligation

In ₹ Million

Withdrawal rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	1,458.63	1,317.48
Increase by 1%	1,448.60	1,312.46

The estimates of future salary increases, considered in actuarial valuation, takes 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 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, 2024	As at March 31, 2023
Within one year	210.48	257.97
After one year but not more than five years	474.27	408.15
After five years but not more than ten years	739.13	654.88

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.49 years (March 31, 2023: 10.59 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 of specified months based on the last drawn basic salary. The scheme is unfunded.

1) Liability risks

a) **Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the 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 the 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, 2024

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 result in higher future defined benefit payments resulting in a higher present value of liabilities especially 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 benefit 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, 2024	Year ended March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.50%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)	11.49*	11.82*
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, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the period	167.52	180.90
Interest expense	12.10	12.58
Current service cost	0.12	3.38
Benefits Paid	(12.44)	(12.23)
Remeasurements on obligation [Actuarial (Gain)/Loss]	31.04	(17.11)
Closing defined benefit obligation	**198.34**	**167.52**

Net Interest (Income)/Expense

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on defined benefit obligation	12.10	12.58
Net interest expense for the period	**12.10**	**12.58**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Remeasurement for the period

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Experience (gain)/loss on plan liabilities	24.82	(11.87)
Demographic loss on plan liabilities	-	-
Financial (gain)/loss on plan liabilities	6.22	(5.24)

Amount recognised in the statement of Other Comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurement for the period-obligation (gain)/loss		
(Gain)/loss on plan liabilities due to experience assumptions	24.82	(11.87)
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	6.22	(5.24)
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	**31.04**	**(17.11)**

The amounts to be recognised in the Balance Sheet

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the end of the period	(198.34)	(167.52)
Fair value of plan assets as at the end of the period	-	-
Net asset/(liability) to be recognised in the balance sheet	**(198.34)**	**(167.52)**

Expense recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost **[Refer note 28]**	0.12	3.38
Past service cost	-	-
Net interest (income)/expense [Refer note 30]	12.10	12.58
Net periodic benefit cost recognised in the statement of profit and loss	**12.22**	**15.96**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Reconciliation of Net Asset/(Liability) recognised:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the period	(167.52)	(180.90)
Company's contributions	-	-
Benefits directly paid by the Company	12.44	12.23
Expense recognised for the year	(12.22)	(15.96)
Amount recognised in OCI	(31.04)	17.11
Net asset/(liability) recognised at the end of the period	**(198.34)**	**(167.52)**

The following are the expected benefit payments to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	11.70	19.47
After one year but not more than five years	60.58	48.68
After five years but not more than ten years	107.43	90.09

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 12.68 years (March 31, 2023: 12.75 years).

Sensitivity analysis

A) **Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligation**

In ₹ Million

Discount rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 1%	221.32	186.02
Increase by 1%	178.68	151.74

B) **Impact of change in salary increase rate when base assumption is decreased/increased - present value of obligation**

In ₹ Million

Salary increment rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 1%	180.15	152.88
Increase by 1%	219.02	184.29

C) **Impact of change in withdrawal rate when base assumption is decreased/increased - present value of obligation**

In ₹ Million

Withdrawal rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 1%	197.99	166.78
Increase by 1%	198.65	168.17

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(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 provident fund, viz. defined contribution plan and defined benefit plan.

Under the defined contribution plan, 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 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 which arises if there is a mismatch in the duration of the assets relative to the 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 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 result in higher future defined benefit payments resulting in a higher present value of liabilities especially 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 (majorly 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 the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are taken care of.

The principal assumptions used in determining provident fund liability/shortfall for the Holding Company's plan is shown below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.50%
Interest rate declared by Employees' Provident Fund Organisation for the year	8.25%	8.15%
Yield spread	0.50%	0.50%
Expected rate of return on plan assets	7.50%	7.20%
Expected average remaining working lives of employees (in years)	10.89*	11.10*

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Withdrawal rate		
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 plan using probabilities of death, withdrawal and retirement.

Table showing changes in present value of expected interest rate shortfall:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of expected Interest rate shortfall as at the beginning of the period	3,813.10	3,460.44
Interest cost	274.08	242.93
Current service cost	137.06	95.47
Employee contribution	194.55	150.31
Benefits paid	(317.48)	(172.89)
Actuarial (gain)/loss on obligations	168.37	36.84
Present value of expected interest rate shortfall as at the end of the period	**4,269.68**	**3,813.10**

Table showing changes in fair value of plan assets (Surplus account)

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets as at the beginning of the period (surplus account)	3,809.32	3,430.86
Interest income	286.13	249.65
Employers contribution	134.48	95.47
Employee contribution	194.55	150.31
Benefits paid	(317.48)	(172.89)
Remeasurement- return on plan assets excluding amount included in interest income	162.38	55.92
Fair value of plan assets as at the end of the period (surplus account)	**4,269.38**	**3,809.32**

Net interest (income)/expense

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on defined benefit obligation	274.08	242.93
Interest (income) on plan assets	(286.13)	(249.65)
Net Interest Expense/(Income) for the period	**(12.05)**	**(6.72)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024
40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The amounts to be recognised in the balance sheet:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of Provident fund liability as at end of the period	4,269.68	3,813.10
Fair value of the plan assets as at the end of the period (surplus account)	4,269.38	3,809.32
(Deficit)	**(0.30)**	**(3.78)**
Net (liability) recognised in the balance sheet	(0.30)	(3.78)

Amount recognised in Statement of Other Comprehensive Income (OCI):

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement for the period-obligation (gain)/loss	168.37	36.84
Remeasurement for the period-plan assets (gain)/loss	(162.38)	(55.92)
Total Remeasurement cost for the period recognised in OCI	**5.99**	**(19.08)**

Expense recognised in the statement of profit and loss:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost **[Refer note 28]**	137.06	95.47
Net interest expense **[Refer note 30]**	(12.05)	(6.72)
Net periodic benefit cost recognised in the statement of profit and loss	**125.01**	**88.75**

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased by 50 basis point - present value of obligation

In ₹ Million

Discount rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 0.50%	4,344.43	3,877.73
Increase by 0.50%	4,199.07	3,784.05

B) Impact of change in expected future interest rate on PF when base assumption is decreased/increased by 50 basis point - present value of obligation

In ₹ Million

PF interest rate	Year ended March 31, 2024	Year ended March 31, 2023
Decrease by 0.50%	4,199.18	3,784.05
Increase by 0.50%	4,340.16	3,875.31

(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 life time monthly pension payments to such employees

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

as stipulated in the policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the provision as on the reporting date.

1) Liability risks

a) **Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the 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 the 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 benefit risk through return on the funds made available for the plan.

The principal assumptions used in determining pension for the Holding Company's plan is shown below:

Particulars	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult
Discount rate	7.20%
Rate of increase in compensation levels	7.00%
Rate of increase in pension	5.50%
Medical inflation rate	14.00%
Expected average remaining working lives (in years)*	13.71*

* It is 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	As at March 31, 2024
Current pension and medical reimbursement obligation expected to be settled in next 12 months	12.53
Pension and medical reimbursement obligation expected to be settled beyond 12 months	223.98
	236.51

Sensitivity analysis

A) **Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligations**

In ₹ Million

Discount rate	Year ended March 31, 2024
Decrease by 1%	258.45
Increase by 1%	238.88

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

B) **Impact of change in pension increment rate and salary increment rate when base assumption is decreased/increased on defined benefit obligations**

In ₹ Million

Discount rate	Year ended March 31, 2024
Decrease by 1%	217.68
Increase by 1%	257.38

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 is shown below:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality table	RT Heubeck 2018 G, TGH05/TGF05 and DUS 21	RT Heubeck 2018 G, TGH05/TGF05 and DUS 21
Discount rate	3.2% to 3.83%	3.6% to 4.40%
Rate of increase in compensation levels	2.00%	2.00%

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	847.83	1,140.03
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	(14.29)	19.24
Interest expense	36.02	10.18
Current service cost	8.42	-
Benefits paid	(40.43)	(33.69)
Remeasurements on obligation [Actuarial (Gain)/Loss]	85.22	(287.93)
Closing defined benefit obligation	**922.77**	**847.83**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Opening fair value of plan assets	6.42	22.77
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	(0.47)	(16.17)
Interest income	0.02	0.47
Benefits paid	(0.94)	(0.47)
Remeasurements-Actuarial gains/(losses)	0.61	(0.18)
Return on plan assets, excluding amount recognised in Interest Income - Gain/(Loss)	-	-
Closing fair value of plan assets	**5.64**	**6.42**
Actual return on plan assets	0.63	0.29

Net Interest (Income/Expense)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest (Income)/Expense – Obligation	36.02	10.18
Interest (Income)/Expense – Plan assets	(0.02)	(0.47)
Net Interest (Income)/Expense for the period	**36.00**	**9.71**

Amount recognised in Statement of Other Comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurement for the period-Obligation (Gain)/Loss	85.22	(287.93)
Remeasurement for the period-Plan assets (Gain)/Loss	(0.61)	0.18
Total Remeasurement cost/(credit) for the period recognised in OCI	**84.61**	**(287.75)**

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is - 10.18-18.39 years (March 31, 2023: 6.7-18.83 years).

The amounts to be recognised in the Balance Sheet

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligations	(922.77)	(847.83)
Fair value of plan assets	5.64	6.42
Net Asset/(liability) to be recognised in balance sheet	**(917.13)**	**(841.41)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Expense recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	8.42	-
Net Interest (Income)/Expense	36.00	9.71
Net periodic benefit cost recognised in the statement of profit and loss	**44.42**	**9.71**

Reconciliation of Net Asset/(Liability) recognised:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the period	(841.42)	(1,117.27)
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	13.82	(35.41)
Benefits directly paid by the Group	39.49	33.22
Expense recognised for the year	(44.42)	(9.71)
Amount recognised in OCI	(84.60)	287.75
Net asset/(liability) recognised at the end of the period	**(917.13)**	**(841.42)**

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, 2024	As at March 31, 2023
Funds managed by insurer	100%	100%

Sensitivity analysis

Impact of change in discount rate when base assumption is present value of obligation decreased/increased in present value of obligation

In ₹ Million

Discount rate	As at March 31, 2024	As at March 31, 2023
Decrease by 0.50%	982.71	81.68
Increase by 0.50%	858.52	74.12

The pension scheme pertains to employees who have already left the organisation. Hence the impact of change in salary increase rate and withdrawal rate is nil and hence not disclosed.

The followings are the expected contributions to the defined benefit plan in future years:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	52.53	35.03
Between 2 and 5 years	232.46	159.81
Between 5 and 10 years	326.66	244.44
Beyond 10 years	1,305.10	1,378.16
Total expected payments	**1,916.74**	**1,817.45**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(e) Other long term benefits

Other long term benefits includes early retirement scheme as governed by the local laws amounting to ₹ 48.59 million (March 31, 2023: ₹ 57.90 million) and jubilee scheme as governed by the local laws amounting to ₹ 73.03 million (March 31, 2023: ₹ 89.81 million).

One of the subsidiary has an employees' savings plan which qualifies under Internal Revenue Code as governed by the 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 matching contribution of 50% up to 6% of compensation. The total expense for employee retirement contribution plans for the year ended March 31, 2024 was ₹ 23.03 million (March 31, 2023: ₹ 19.87 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 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

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 which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully 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 result in higher future defined benefit payments resulting in a higher present value of liabilities especially 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 has a sovereign guarantee and has 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 subsidiary have no control over the management of funds but this option

Notes to Consolidated Financial Statements
for the year ended March 31, 2024
40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

provides a high level of safety for the total corpus. Same account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are 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.

The principal assumptions used in determining gratuity for the Indian subsidiary's plan is shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20% - 7.50%	7.30% - 7.50%
Rate of increase in compensation levels	5.00% - 10.00%	5.00% - 10.00%
Expected average remaining working lives (in years)	2.6-20.04	6.49-26.85
Withdrawal rate (based on grade and age of employees)		
Age unto 30 years	1% to 38%	1% to 15%
Age 31 - 44 years	1% to 38%	1% to 15%
Age 45 - 50 years	1% to 38%	1% to 15%
Age above 50 years	1% to 38%	1% to 15%

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	81.13	17.08
Adjustment to defined benefit obligation	-	53.99
Interest expense	5.72	4.31
Current service cost	20.93	12.45
Benefits paid	(10.58)	(3.89)
Remeasurements on obligation [Actuarial (Gain)/Loss]	7.95	(2.81)
Closing defined benefit obligation	**105.15**	**81.13**

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	8.01	3.50
Adjustment to fair value of plan asset	0.18	0.07
Interest Income	0.72	0.41
Contributions	11.63	7.14
Benefits paid	(8.26)	(3.04)
Return on plan assets, excluding amount recognised in Interest Income - Gain/(Loss)	(0.07)	(0.07)
Closing fair value of plan assets	**12.21**	**8.01**
Actual return on plan assets	0.60	0.34

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Net Interest (Income/Expense)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest (Income)/Expense – Obligation	5.72	4.31
Interest (Income)/Expense – Plan assets	(0.72)	(0.41)
Net Interest (Income)/Expense for the period	**5.00**	**3.90**

Remeasurement for the period [Actuarial (Gain)/Loss]

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Experience (Gain)/Loss on plan liabilities	5.39	(3.68)
Demographic (Gain)/Loss on plan liabilities	(0.97)	(0.01)
Financial (Gain)/Loss on plan liabilities	3.45	0.88
Experience (Gain)/Loss on plan assets	0.09	(0.01)
Financial (Gain)/Loss on plan assets	(0.01)	(0.05)

Amount recognised in Statement of Other Comprehensive Income (OCI)

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening amount recognised in OCI outside profit and loss account	5.72	(1.72)
Adjustment to OCI	-	10.18
Remeasurement for the period-Obligation (Gain)/Loss	7.95	(2.81)
Remeasurement for the period-Plan assets (Gain)/Loss	0.07	0.07
Total Remeasurement cost/(credit) for the period recognised in OCI	8.02	(2.74)
Closing amount recognised in OCI outside profit and loss account	**13.74**	**5.72**

The amounts to be recognised in the Balance Sheet

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of defined benefit obligations	(105.15)	(81.13)
Fair value of plan assets	12.21	8.01
Net Asset/(Liability) to be recognised in balance sheet	**(92.94)**	**(73.12)**

Expense recognised in the statement of profit and loss

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	20.93	12.45
Net Interest (Income)/Expense	5.00	3.91
Net periodic benefit cost recognised in the statement of profit & loss	**25.93**	**16.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Reconciliation of Net Asset/(Liability) recognised:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Net asset/(liability) recognised at the beginning of the period	(73.09)	(13.58)
Adjustment to opening balance due to business combinations	0.18	(53.90)
Contributions	3.58	5.09
Benefits paid by the Group	10.58	2.90
Expense recognised for the year	(25.93)	(16.34)
Amount recognised in OCI	(8.02)	2.74
Net (liability) recognised at the end of the period	**(92.70)**	**(73.09)**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by insurer	100.00%	100.00%

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased in Present value of obligation

In ₹ Million

Discount rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	47.39	31.22
Increase by 1%	39.90	25.99

B) Impact of change in salary increase rate when base assumption is decreased/increased in Present value of obligation

In ₹ Million

Salary increment rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	39.89	25.86
Increase by 1%	46.36	30.57

C) Impact of change in withdrawal rate when base assumption is decreased/increased in Present value of obligation

In ₹ Million

Withdrawal rate	As at March 31, 2024	As at March 31, 2023
Decrease by 1%	38.27	23.93
Increase by 1%	37.25	23.44

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above have 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, 2024

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, 2024	As at March 31, 2023
Year ending March 31		
Within one year	8.83	6.55
After one year but not more than five years	26.98	20.09
After five years but not more than ten years	61.82	44.05
Beyond 10 years	35.92	-
Total expected payments	**133.55**	**70.69**

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 4.25-20.40 years (March 31, 2023: 10.96-20.90 years).

41. CONTINGENT LIABILITIES

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as Debts - to the extent ascertained **[Refer note a]**	1,320.54	1,096.00
Guarantees given by the Group's bankers on behalf of the Group, against a sanctioned guarantee limit of ₹ 7,250 million (March 31, 2023: ₹ 7,350 million) for contracts undertaken by the Group are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares etc., book debts, subject to a prior charge in their favour.	3,857.66	3,437.88
Excise/Service tax demands - matters under dispute* **[Refer note b]**	129.66	141.27
Customs demands - matters under dispute* **[Refer note c]**	69.51	55.73
Sales tax demands - matters under dispute **[Refer note d]**	0.60	0.60
Income tax demands - matters under dispute **[Refer note e]**	215.32	190.33

* Excludes Interest and Penalty

(a) Includes:

- contingent liability to employees
- One of the subsidiaries is in the process of setting-up manufacturing facility at Additional Jejuri Industrial Area, MIDC, Jejuri, District Pune. MIDC had approved the building construction plan on March 9, 2021 and has specified a condition to commence construction within a period of 1 year. MIDC had given the time limit for obtaining building completion certificate/occupancy certificate and commencement of production till June 10, 2022. It has been further ammended and extended till June 10, 2024. The Company has approached MIDC for further extension of the time limit for the completion of construction and commencement of activities and also paid the additional premium amounting to ₹ 78.94 million.
- The disputed claims including those related to various statutory dues that have been waived off and extinguished as per The Resolution Plan approved by the National Company Law Tribunal are not considered

(b) Includes amount pertaining to incentive received under Government schemes, etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

41. CONTINGENT LIABILITIES (CONTD.)

(c) Includes amount pertaining to classification differences of products etc.

(d) Includes amount pertaining to duty demand by authorities on non-taxable services and for non-receipt of various statutory forms, etc.

(e) Includes amount pertaining to matter relating to applicability of TDS.

- One of the subsidiaries is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appeallate 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 by 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 millions having a tax impact of ₹ 25 millions. The Company has appealed against the said order. The management on basis of the opinion of 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, 2024	As at March 31, 2023
(a)	Estimated value of contracts remaining to be executed on Property, plant & Equipment and not provided for, net of advances	5,925.40	5,928.64
(b)	Guarantees given by the Holding Company on behalf of other companies		
	Balance outstanding	8,012.05	-
	(Maximum amount)	(8,123.68)	-

The Group, for its newly set up plant located at Mambattu, Nellore, Andhra Pradesh for the manufacture of aluminium casting, has 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, 2024, export obligation aggregates to USD 8.81 million (₹ 734.93 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. Non fulfilment of such future obligations, in the manner required, if any entails options/ rights to the government to levy penalties under the above referred scheme.

43. LEASES

A. Group as lessee

The Group has lease contracts for various items of buildings, leasehold land, plant and machinery, office equipment, electrical installation, 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

43. LEASES (CONTD.)

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 equipment	Electrical installations	Furniture and fixtures	Vehicles	Leasehold Land	Total
At April 1, 2022	1,018.93	1,806.68	33.22	-	-	205.35	471.35	3,535.54
Additions	241.83	1,440.44	-	-	-	104.03	104.23	1,890.53
Addition due to acquisition	53.14	20.45	-	-	-	-	76.18	149.77
Depreciation charged to profit and loss account	(142.49)	(185.28)	(9.34)	-	-	(87.75)	(6.31)	(431.17)
Depreciation capitalised	(14.89)	-	-	-	-	-	-	(14.89)
Deletions	(44.75)	-	(0.13)	-	-	(5.77)	-	(50.65)
Foreign Currency Translation Reserve	17.45	4.68	2.89	-	-	7.87	-	32.89
As at March 31, 2023	**1,129.22**	**3,086.97**	**26.64**	**-**	**-**	**223.73**	**645.45**	**5,112.02**
Additions	38.75	141.10	13.93	-	-	45.72	9.71	249.21
Addition due to acquisition	-	-	-	-	-	-	125.79	125.79
Depreciation charged to profit and loss account	(159.13)	(334.87)	(10.27)	-	-	(84.63)	(5.30)	(594.20)
Depreciation capitalised	6.87	15.29	(15.82)	-	-	(42.80)	-	(36.46)
Deletions	(8.58)	(12.44)	(1.54)	-	-	(3.36)	(94.08)	(120.00)
Foreign Currency Translation Reserve	2.16	1.60	(0.57)	-	-	0.91	-	4.10
As at March 31, 2024	**1,009.29**	**2,897.65**	**12.37**	**-**	**-**	**139.57**	**681.57**	**4,740.46**

Below are the carrying amounts of lease liabilities and the movements during the period:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	**4,609.04**	**3,170.88**
Additions on acquisition	-	57.49
Additions	243.79	1,795.45
Disposal	(63.47)	(55.32)
Accretion of Interest	341.12	276.07
Payments	(854.59)	(644.91)
Foreign Currency Translation Reserve	(21.34)	9.38
Closing balance	**4,254.55**	**4,609.04**
Current	461.99	447.27
Non - Current	3,792.56	4,161.77

The maturity analysis of lease liabilities is disclosed in note 55.

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 2024-2029.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

43. LEASES (CONTD.)

The following are the amounts recognised in profit or loss:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	594.20	431.17
Interest expense on lease liabilities	341.12	276.07
Expense relating to short-term leases and low value leases (included in Other expenses)	32.09	20.33
Total amount recognised in profit or loss	**967.41**	**727.57**

The Group had total cash outflows for leases of ₹ 854.59 million (March 31, 2023: ₹ 644.91 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ Nil million (March 31, 2023: ₹ 1,795.45 million) and ₹ Nil million (March 31, 2023: ₹ 2,071.52 million) respectively.

The Group has several lease contracts that include extension and termination options. These options are negotiated by the management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. The 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/arrangement in the nature of lease/sub-lease agreement with different lessees for the purpose of land. These are generally in the nature of operating lease. The period of agreements are generally for three years to ten years and cancellable with a notice of thirty days to six months and renewal at the options of the lessee/lessor.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

In ₹ Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Within one year	85.12	85.72
After one year but not more than five years	275.95	268.96
More than five years	60.28	76.01
Total	**421.35**	**430.69**

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 the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a net

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

44. CAPITAL MANAGEMENT (CONTD.)

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, 2024	As at March 31, 2023
Borrowings	75,220.75	68,523.33
Less: Cash and other liquid assets	30,186.38	30,016.56
Net debt	45,034.37	38,506.77
Equity	71,166.32	66,597.78
Net debt/equity Ratio	0.63	0.58

45. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO ASSOCIATES/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Saarloha Advanced Materials Private Limited**		
Balance outstanding	-	1,350.00
Maximum amount outstanding during the year	1,350.00	1,350.00
Aeron Systems Private Limited ***		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	8.00
Refu Drive GmbH @		
Balance outstanding	165.76	89.67
Maximum amount outstanding during the year	165.76	89.67

** Short-term advance converted into a long-term advance for a period of 4 years.

*** Receivable after 1 year from the date of disbursement of loan. It can be repaid earlier than the maturity, based on mutual understanding.

@ 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, 2024		March 31, 2023	
	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 loan.

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for the year ended March 31, 2024

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of Unit of Indo Shell Mould Limited (ISML) by JS Auto Cast Foundry India Private Limited

ISML is an unlisted public company incorporated on May 03, 1995 having its registered office at A9, SIDCO Industrial Estate Kurichi, Coimbatore, Tamil Nadu, India, 641021. Its authorised share capital is ₹ 128,000,000 and paid up capital is 124,500,000, It is involved in manufacturing of ferrous and non-ferrous castings.

JSA is a private limited company incorporated on August 20, 2004 having its operations at SF No 165/1, Sembagounden Pudur, Kuppepalayam, Coimbatore, Tamil Nadu, India. It is registered at Registrar of Companies, Coimbatore. Its authorised share capital is ₹ 90,000,000 and its paid up capital is ₹39,683,300. It is involved in the manufacturing of raw and machined ductile iron castings for numerous international brands.

On December 31, 2022, JSA entered into a Business Transfer Agreement to acquire the casting business (referred to as 'Identified Business Unit') from ISML for a consideration of ₹ 533.08 million. The acquisition completed on June 30, 2023 (the "Acquisition Date").

The Company has calculated the fair value of the acquired assets and liabilities in accordance with Ind AS 103 Business Combinations resulting in no goodwill or capital reserve.

In ₹ Million

Particulars	As at June 30, 2023
Assets	
Property, plant and equipment	384.50
Intangibles assets	-
Right-of-Use assets	125.79
Cash and cash equivalents	-
Trade receivables	14.69
Inventories	42.48
Financial Assets (Non-current)	-
Financial Assets (Current)	-
Other Assets	-
	567.46
Liabilities	
Trade payables	-
Other Financial liabilities	-
Other Current liabilities	9.09
Deferred tax liability	25.29
Provisions (Non-current)	-
Provisions (Current)	-
Borrowings	-
	34.38
Total identifiable net assets/(liabilities) at fair value	**533.08**
Non-controlling interest measured at fair value	-
Goodwill arising on acquisition	-
Purchase consideration transferred	**533.08**

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	533.08
Less: Net Cash acquired in business Combination	-
Net Cashflow on acquisition	**533.08**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS (CONTD.)

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 (64.93% of total shareholding) of face value ₹ 10/- each of Zorya Mashproekt India Private Limited (ZMI) on January 24, 2024. ZMI is a private limited company which is engaged in business of development of indigenous capabilities for build ups and 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
Intangibles assets	-
Right-of-Use assets	-
Cash and cash equivalents	0.10
Trade receivables	0.70
Inventories	-
Financial Assets (Non-current)	-
Financial Assets (Current)	0.65
Other Assets	1.89
	3.44
Liabilities	
Trade payables	-
Other Financial liabilities	-
Other Current liabilities	3.70
Deferred tax liability	-
Provisions (Non-current)	-
Provisions (Current)	-
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, 2024

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS (CONTD.)

Acquisition of Ferrovia Transrail Solutions Private Limited

The Group was holding 49% interest in Ferrovia Transrail Solutions Private Limited (FTSPL), investment through wholly owned subsidiary till March 2, 2023 and post acquisition of equity shares, the Group holds 100% interest in FTSPL as at March 31, 2023. FTSPL is involved in carrying out the project of design, procurement, construction of railway track and railway track related work.

The Company through its wholly owned subsidiary BF Infrastructure Limited has acquired Ferrovia Transrail Solutions Private Limited ("FTSPL") on March 2, 2023 for a consideration of ₹ 2.10 million.

The Group has calculated the fair value of the acquired assets and liabilities in accordance with Ind AS 103 Business Combinations resulting in goodwill of ₹ 19.38 million.

In ₹ Million

Particulars	As at March 2, 2023
Assets	
Property, plant and equipment	-
Intangibles assets	-
Right-of-Use assets	-
Cash and cash equivalents	0.19
Trade receivables	118.86
Inventories	-
Financial Assets (Non-current)	-
Financial Assets (Current)	0.01
Other Assets	5.36
	124.42
Liabilities	
Trade payables	0.24
Other Financial liabilities	0.02
Other Current liabilities	-
Provisions (Non-current)	0.05
Provisions (Current)	-
Borrowings	141.32
	141.63
Total identifiable net assets/(liabilities) at fair value	(17.22)
Non-controlling interest measured at fair value	-
Goodwill arising on acquisition	19.32
Purchase consideration transferred	**2.10**

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	2.10
Less: Net Cash acquired in business Combination	(0.19)
Net Cashflow on acquisition	**1.91**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS (CONTD.)

Acquisition of JS Auto Cast Foundry Private Limited

The Group through its wholly owned subsidiary BF Industrial Solutions Limited (BFISL) has acquired 100% stake in JS Auto Cast Foundry Private Limited ("JS Auto") a Coimbatore-based casting and machining Company on July 1, 2022 for a consideration of ₹ 3,460.98 million.

The Group has calculated the fair value of the acquired assets and liabilities on a provisional basis in accordance with Ind AS 103 Business Combinations resulting in goodwill of ₹ 2,433.34 million. The goodwill is mainly attributable to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

For the nine month ended March 31, 2023, JS Auto contributed a revenue of ₹ 3,449.26 million and a profit of ₹ 178.75 million to the Group's results. If the acquisition had occurred on April 1, 2022, the management estimates that the consolidated revenue for the Group would have been higher by ₹ 930.60 million and the profit after taxes would have been lower by ₹ 73.99 million for twelve months ended March 31,2023.

On December 31, 2022, J S Auto Cast Foundry India Private Limited ("JS Auto"), a step-down subsidiary of the Company has entered into a Business Transfer Agreement with Indo Shell Mould Limited ("ISML") for acquiring their SEZ Unit in SIPCOT, Erode which supplies fully machined critical castings to marquee customers in the automotive industry. The closing of the transaction is subject to customary conditions and regulatory approvals.

In ₹ Million

Particulars	As at July 1, 2022
Assets	
Property, plant and equipment	1,905.89
Intangibles assets	3.86
Right-of-Use assets	149.78
Cash and cash equivalents	13.68
Trade receivables	743.09
Inventories	534.59
Financial Assets (Current)	1.75
Other Assets	186.90
	3,539.54
Liabilities	
Trade payables	936.90
Other Financial liabilities	193.01
Other Current liabilities	79.12
Provisions (Non-current)	238.41
Provisions (Current)	58.63
Borrowings	1,005.81
	2,511.88
Total identifiable net assets at fair value	1,027.66
Non-controlling interest measured at fair value	-
Goodwill arising on acquisition	2,433.32
Purchase consideration	**3,460.98**

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	3,460.98
Less: Net Cash acquired in business Combination	(13.68)
Net Cashflow on acquisition	**3,447.30**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
Saarloha Advanced Materials Private Limited**	General corporate purpose	8.25%	-	1,350.00
Refu Drive GmbH @	General corporate purpose	2.00%	165.76	92.13

** During the previous year short-term advance converted into a long-term advance for a period of 4 years.

@ 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 (upto February 23, 2023)
	Ratnakar Energy Private Limited (w.e.f. November 6, 2023)
	Ferrovia Transrail Solutions Private Limited (Upto March 02, 2023)
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 (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, 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
	Cogknit Semantics Private Limited
	Kalyani Technoforge Limited
	Elbit Systems Land Ltd
	Elbit Systems Land and C4I Limited
	Kalyani Transmission Technologies Private Limited
	KGEPL Engineering Solutions Private Limited
	Astra Rafael Comsys Pvt Ltd
	Aeternus, India
	Kalyani Technoweld Private Limited
	Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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	
Other related parties (Enterprises owned or significantly influenced by key management personnel or their relatives) (contd.)	Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)
	KTMS Properties Company Private Limited
	Kudje Management Services Private Limited
	KTMS Design and Engineering Private Limited
	KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)
	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
	Growth Spurt Consultant LLP, India
	Vishalgad Trading Company Private Limited
	Akutai Kalyani Charitable Trust
	Tirupati Engineers, India
	M J Risbud & Co., India
	H M Risbud & Co., India
	Irbaris LLP,UK
	Siddhatek Enterprise
	SBK Charitable Trust
	Peach Blossom Investment Private Limited
	Synise Technologies Limited
	Radium Merchandise 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
Key management personnel	Mr. B. N. Kalyani (Chairman and Managing Director)
	Mr. A. B. Kalyani (Executive Director and Joint Managing Director)
	Mr. G. K. Agarwal (Deputy Managing Director)
	Mr. B. P. Kalyani (Executive Director)
	Mr. A. B. Ram (Non Executive Director) (w.e.f September 1, 2023)
	Mr. S. E. Tandale (Executive Director)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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 (contd.)	Mr. K. M. Saletore (Executive Director & CFO) (upto June 30, 2023)
	Mr. K. P. Dixit (CFO) (w.e.f July 1, 2023)
	Ms. T. R. Chaudhari (Company secretary)
	Mr. P. G. Pawar (Independent Director)
	Mrs. L. D. Gupte (Independent Director)
	Mr. P. H. Ravikumar (Independent Director)
	Mr. V. R. Bhandari (Independent Director)
	Mr. Dipak Mane (Independent Director)
	Mr. Murali Sivaraman (Independent Director)
	Mr. Kanwar Bir Singh Anand (Independent Director) (w.e.f June 27, 2022)
	Mrs. Sonia Singh (Independent Director) (w.e.f June 27, 2022)
Relatives of key management personnel	Smt. S. N. Kalyani
	Mr. G. N. Kalyani
	Mrs. R. G. Kalyani
	Ms. S. G. Kalyani
	Mr. V. G. Kalyani
	Mrs. A. G. Agarwal
	Smt. V. E. Tandale
	Mrs. S. S. Tandale
	Mr. P. S. Kalyani
	Mrs. V. B. Kalyani
	Ms. A. K. Saletore
	Mrs. S. J. Hiremath
	Ms. Neeraja Puranam
	Mrs. A. P. Kore
	Mrs. Deeksha Amit Kalyani
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"

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for the year ended March 31, 2024

48. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions

In ₹ Million

Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2024	Year ended March 31, 2023
1	**Purchase of raw materials, components, stores, spares and traded goods**	**Associate**		
		Aeron Systems Private Limited	74.19	1.60
			74.19	**1.60**
		Other related parties		
		Kalyani Steels Limited	5,055.48	6,097.97
		Saarloha Advance Material Private Limited	14,191.22	15,584.14
		Kalyani Technoforge Limited	540.80	412.31
		Others	94.80	99.07
			19,882.30	**22,193.49**
		Joint venture		
		Refu Drive GMBH	38.78	41.03
			38.78	**41.03**
		Subsidiary of Joint Venture		
		REFU Drive India Private Limited, India	1.32	-
			1.32	**-**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	556.07	264.91
			556.07	**264.91**
			20,552.66	**22,501.03**
2	**Purchase of services**	**Other related parties**		
		Kalyani Strategic Management Services Limited	1.50	2.00
		Others	-	1.50
			1.50	**3.50**
3	**Other expenses**	**Associate**		
	- Power, fuel and water	Ratnakar Energy Private Limited	30.84	-
		Avaada MHVidarbha Private Limited	169.35	-
			200.19	**-**
		Other related parties		
		BF Utilities Limited	57.01	31.79
		Avaada MHVidarbha Private Limited	-	23.39
			57.01	**55.18**
			257.20	**55.18**
	- Machining/subcontracting charges	**Other related parties**		
		Kalyani Technoforge Limited	98.01	76.13
		Synise Technologies Limited	31.42	-
		Kalyani Transmission Tecnologies Private Limited	4.47	25.49
		KTMS Design and Engineering Private Limited	82.25	-
		Baramati Speciality Steels Limited	-	3.63
		Others	3.56	1.31
			219.71	**106.56**

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for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
	-Rent*	**Other related parties**		
		United Metachem Private Limited	11.01	10.01
		KTMS Properties Company Private Limited	20.58	18.71
		Tirupati Engineers	1.86	2.03
		Others	4.54	4.06
			37.99	**34.81**
	-Directors' fees and travelling expenses	**Key management personnel**		
		Mr. P. G. Pawar	1.45	0.58
		Mrs. L. D. Gupte	0.73	0.43
		Mr. P. H. Ravikumar	1.19	0.66
		Mr. A. B. Ram	0.22	-
		Mr. V. R. Bhandari	1.50	0.76
		Mr. Dipak Mane	1.39	1.75
		Mr. Kanwar Bir Singh Anand	0.59	0.36
		Mrs. Sonia Singh	0.68	0.37
		Mr. Murali Sivaraman	0.88	0.46
			8.63	**5.37**
	-Commission to directors other than managing and whole time directors	**Key management personnel**		
		Mr. P. G. Pawar	1.55	1.44
		Mr. S. M. Thakore	-	-
		Mrs. Lalita D. Gupte	0.56	0.56
		Mr. P. H. Ravikumar	1.13	1.13
		Mr. A. B. Ram	0.25	-
		Mr. Vimal Bhandari	1.50	1.38
		Mr. Dipak Mane	0.88	0.75
		Mr. Murali Sivaraman	0.75	0.63
		Mr. Kanwar Bir Singh Anand	0.38	0.38
		Mrs. Sonia Singh	0.50	0.38
			7.50	**6.65**
	- Legal and professional fees	**Other related parties**		
		Kalyani Strategic Management Services Limited	222.41	261.78
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	124.54	30.78
		Others	4.58	5.22
			351.53	**297.78**
	- Repairs and maintenance	**Other related parties**		
		KTMS Properties Company Private Limited	15.19	13.70
			15.19	**13.70**

* 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, 2024

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, 2024	Year ended March 31, 2023
	- Miscellaneous expenses	**Other related parties**		
		Kalyani Strategic Management Services Limited	176.27	164.94
		Kalyani Technoforge Limited	24.50	7.99
		Others	8.15	11.20
			208.92	**184.13**
		Joint Venture		
		BF Premier Energy Systems Private Limited	-	0.06
			-	**0.06**
		Non-controlling interest holders		
		Rafael Advanced Defense Systems Limited	15.05	13.30
			15.05	**13.30**
			223.97	**197.49**
			1,121.72	**717.54**
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	3,237.09	2,876.05
		Automotive Axles Limited	202.81	410.96
		Kalyani Technoforge Limited	67.80	25.43
		Other	26.67	16.86
			3,534.37	**3,329.30**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	2,615.74	1,197.79
			2,615.74	**1,197.79**
			6,150.11	**4,527.09**
5	**Sale of services**	**Other related parties**		
		Automotive Axles Limited	207.84	182.24
		Saarloha Advanced Materials Private Limited	88.22	70.76
		Kalyani Technoforge Limited	1.34	35.79
		Others	-	0.01
			297.40	**288.80**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	33.90	20.08
			33.90	**20.08**
			331.30	**308.88**
6	**Sale of property, plant & equipments**	**Non-controlling interest holders**		
		Rafael Advanced Defence Systems Limited	-	4.05
			-	**4.05**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
7	**Other income**	**Other related parties**		
	-Rent	Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)	13.26	14.06
		Kalyani Technoforge Limited	20.07	20.07
		Others	2.82	6.47
			36.15	**40.60**
	-Miscellaneous Income	**Non-controlling interest holders**		
		Rafael Advanced Defense Systems Limited	-	1.88
			-	**1.88**
		Other related parties		
		Kalyani Technoforge Limited	14.11	1.86
		Others	0.67	-
			14.78	**1.86**
			14.78	**3.74**
			50.93	**44.34**
8	**Purchase of property, plant and equipment (including CWIP)**	**Other related parties**		
		Kalyani Strategic Management Services Limited	8.26	-
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	57.56	-
		KTMS Design and Engineering Private Limited	702.32	-
		Others	**3.14**	**3.97**
			771.28	**3.97**
9	**Finance provided:**	**Other related parties**		
	- Investments by Group	Khed Economic Infrastructure Private Limited (includes fair valuation impact)	-	162.74
			-	**162.74**
		Associates		
		Avaada MHVidarbha Private Limited	-	113.75
		Aeron Systems Private Limited	-	137.18
		Others	-	0.20
			-	**251.13**
			-	**413.87**

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for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
	- Loan given	**Joint venture**		
		BF NTPC Energy Systems Limited	0.25	-
			0.25	**-**
		Other related party		
		Others	-	0.25
			-	**0.25**
			0.25	**414.12**
10	Sale/Transfer of Investment	**Associate**		
		Aeron Systems Private Limited	-	137.18
			-	**137.18**
11	Interest income	**Associate**		
		Aeron Systems Private Limited	-	0.63
			-	**0.63**
		Joint Ventures		
		REFU Drive GmbH	5.26	2.45
			5.26	**2.45**
		Other related party		
		Saarloha Advanced Materials Private Limited	42.43	111.38
		Kalyani Steels Limited	13.38	-
			55.81	**111.38**
			61.07	**114.46**
12	Capital advance given	**Other related party**		
		KTMS Design and Engineering Private Limited	397.65	-
		KGEPL Engineering Solutions Private Limited	21.48	-
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	-	44.71
			419.13	**44.71**
13	Advance from customers	**Non-controlling interest holders**		
		Rafael Advanced Defence Systems Limited	-	326.61
			-	**326.61**
		Other related party		
		Astra Rafael Comsys Pvt Ltd	-	2.34
			-	**2.34**
			-	**328.95**
14	Advance given to vendors	**Joint Venture**		
		Refu Drive GmbH, Germany	10.49	31.97
			10.49	**31.97**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
15	Managerial remuneration * @	**Key management personnel (Short-term employment benefits)**		
		Mr. B. N. Kalyani	327.98	200.45
		Mr. A. B. Kalyani	71.74	47.15
		Mr. G. K. Agarwal	204.07	45.10
		Mr. S. E. Tandale	55.22	47.41
		Mr. B. P. Kalyani	49.05	43.03
		Mr. K. M. Saletore (upto June 30, 2023)	11.42	31.31
		Mr. K. P. Dixit (w.e.f July 01, 2023)	9.69	-
		Ms. T. R. Chaudhari	4.69	4.29
			733.86	**418.74**
16	Dividend paid	**Key management personnel**		
		Mr. B. N. Kalyani	0.63	0.55
		Mr. A. B. Kalyani	5.60	4.90
		Mr. G. K. Agarwal	0.04	0.03
		Mr. B. P. Kalyani	0.05	0.05
		Mr. K. M. Saletore #	0.01	0.01
		Mr. P. H. Ravikumar	0.05	0.05
			6.38	**5.59**
		Relatives of key management personnel		
		Mr. G. N. Kalyani	5.52	4.83
		Others	1.28	1.13
			6.80	**5.96**
			13.18	**11.55**
17	Repayment of loan given	**Associate**		
		Aeron Systems Private Limited	-	58.00
			-	**58.00**
		Joint Venture		
		BF NTPC Energy Systems Limited	0.79	-
			0.79	**-**
		Other related parties		
		Others	-	0.79
			-	**0.79**
			0.79	**58.79**

* As post-employment obligations and other long-term employee benefits obligation are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above.

@ Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole.

\# less than 0.01 million

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

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, 2024	Year ended March 31, 2023
18	Reversal of provision for diminution in value of investment	**Joint Venture**		
		BF Premier Energy Systems Private Limited	-	1.20
			-	**1.20**
19	Contributions paid *	**Post employment benefit Trusts**		
		Provident fund		
		Bharat Forge Company Limited Staff Provident Fund	329.03	266.08
			329.03	**266.08**
		Gratuity fund		
		Bharat Forge Company Limited Emplyees' Group Gratuity fund	37.50	32.58
		Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme	3.57	5.28
		Bharat Forge Company Limited Officers' GroupGratuity fund	86.59	78.05
			127.66	**115.91**
		Superannuation fund		
		Bharat Forge Company Limited Officer's Superannuation scheme	17.10	16.59
			17.10	**16.59**
			473.79	**398.58**

* The above disclosure does not include on behalf payments done by any related parties to each other. For closing balances of above employee benefit Trusts, refer note 40.

(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, 2024	As at March 31, 2023
1	Trade payables	**Other related parties**		
		Saarloha Advance Material Private Limited **[Refer note 22]****	2,347.63	2,567.57
		Kalyani Steels Limited* **[Refer note 22]**	839.64	1,162.44
		Kalyani Technoforge Limited	196.83	118.28
		Kalyani Strategic Management Services Limited	83.48	77.34
		Others	54.06	23.05
			3,521.64	**3,948.68**

* Net of advance given amounting to ₹ 470 million (March 31, 2023: ₹ 470 million)

** Net of advance given amounting to ₹ 250 million (March 31, 2023: ₹ 250 million)

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for the year ended March 31, 2024

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, 2024	As at March 31, 2023
1	Trade payables (contd.)	**Associate**		
		Avaada MHVidarbha Private Limited	15.25	7.76
		Aeron Systems Private Limited	16.55	-
			31.80	**7.76**
		Joint Venture		
		Refu Drive Gmbh	-	9.79
			-	**9.79**
		Subsidiary of a Joint venture		
		Refu Drive India Private Limited	0.66	-
			0.66	**-**
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	664.92	231.21
			664.92	**231.21**
			4,219.02	**4,197.44**
2	Trade receivable	**Other related parties**		
		Saarloha Advanced Materials Private Limited	1,009.93	924.43
		Automotive Axles Limited	135.57	203.95
		Kalyani Technoforge Limited	41.92	17.93
		Others	21.31	49.13
			1,208.73	**1,195.44**
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	814.64	444.34
			814.64	**444.34**
		Associate		
		Aeron Systems Private Limited	19.00	20.00
			19.00	**20.00**
			2,042.37	**1,659.78**
3	Receivable for property, plant and equipment	**Non-controlling interest holders**		
		Rafael Advanced Defence Systems Limited	-	4.05
			-	**4.05**
4	Payables for capital goods	**Other related parties**		
		Kalyani Cleantech Private Limited	0.85	0.49
			0.85	**0.49**

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for the year ended March 31, 2024

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, 2024	As at March 31, 2023
5	Non-current investments	**Other related parties**		
		Khed Economic Infrastructure Private Limited (including fair value)	-	988.00
			-	**988.00**
		Joint ventures (net of accumulated share of loss)		
		BF NTPC Energy Systems Limited	33.64	33.64
		Refu Drive GmbH	919.14	919.14
			952.78	**952.78**
		Associates (net of accumulated share of loss)		
		Avaada MHVidarbha Private Limited	113.75	113.75
		Aeron Systems Private Limited	137.18	-
		Talbahn GmbH	-	6.26
			250.93	**120.01**
			1,203.71	**2,060.79**
6	Loans given	**Joint Ventures**		
		REFU Drive GmbH	157.88	89.67
			157.88	**89.67**
		Associates		
		Talbahn GmbH	6.31	-
			6.31	**-**
			164.19	**89.67**
7	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	14.73	39.71
			329.13	**329.11**
8	Advance to suppliers	**Other related parties**		
		Saarloha Advanced Materials Private Limited	-	1,350.00
		Others	1.34	0.06
			1.34	**1,350.06**
9	Interest accrued	**Joint venture partners**		
		REFU Drive GmbH	7.87	2.45
			7.87	**2.45**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
10	Advance from customers	**Other related parties**		
		Automotive Axles Limited	-	12.50
		Astra Rafael Comsys Pvt Ltd	1.66	2.34
			1.66	**14.84**
		Non-controlling interest holders		
		Rafael Advanced Defence Systems Limited	425.78	326.61
			425.78	**326.61**
			427.44	**341.45**
11	Capital advances	**Other related parties**		
		KGEPL Engineering Solutions Private Limited	-	21.48
		KTMS Design and Engineering Private Limited	233.41	-
		Khed Economic Infrastructure Private Limited	-	2,435.27
		Kalyani Global Engg. Pvt. Ltd.	-	44.71
			233.41	**2,501.46**
12	Advance given	**Joint Venture**		
		Refu Drive GmbH, Germany	10.98	-
			10.98	**-**
13	Managerial remuneration payable*	**Key management personnel (Short-term employment benefits)**		
		Mr. B. N. Kalyani	154.40	41.34
		Mr. A. B. Kalyani	25.61	3.18
		Mr. G. K. Agarwal	152.08	3.00
		Mr. S. E. Tandale	20.91	15.79
		Mr. B. P. Kalyani	19.27	14.75
		Mr. K. M. Saletore	3.39	6.83
			375.66	**84.89**
14	Commission to directors other than managing and whole time directors	**Relatives of directors and other directors**		
		Mr. P. G. Pawar	1.55	1.44
		Mr. S. M. Thakore	-	-
		Mrs. Lalita D. Gupte	0.56	0.56
		Mr. P. H. Ravikumar	1.13	1.13
		Mr. A. B. Ram	0.25	-
		Mr. Vimal Bhandari	1.50	1.38
		Mr. Dipak Mane	0.88	0.75
		Mr. Murali Sivaraman	0.75	0.63
		Mr. Kanwar Bir Singh Anand	0.38	0.38
		Mrs. Sonia Singh	0.50	0.38
			7.50	**6.65**

* Does not include gratuity and leave encashment since the same is considered for all employees of the Group as a whole.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
15	**Provision for diminution in value of Investment in associate**	**Joint Ventures**		
		BF NTPC Energy Systems Limited	33.64	33.64
			33.64	**33.64**

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, 2024 the Company has not recorded any impairment of receivables relating to amount owed by related parties other than those disclosed separately above (March 31, 2023: ₹ Nil). 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 at market rates.
3. For details of guarantees to related parties, refer note 47.
4. The Group has various other welfare Trusts to administer the long-term benefits for its employees for which no contribution is made in the current or previous year

49. SEGMENT INFORMATION

In accordance with paragraph 22 of 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 which comprise "Forgings", "Defence" and "Others", which represents the Group's businesses not covered in Forgings and Defence segment.

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.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

49. SEGMENT INFORMATION (CONTD.)

No operating segments have been aggregated to form the above reportable operating segments.

In ₹ Million

Sr. No.		March 31, 2024	March 31, 2023
1	**Segment revenue**		
	Revenue from external customers		
	a Forgings	137,178.98	120,134.04
	b Defence	15,605.54	4,103.02
	c Others	8,183.38	5,843.88
	Total	**160,967.90**	**130,080.94**
	Less - Intersegment revenue	4,147.18	202.71
	Total	**156,820.72**	**129,878.23**
	Adjustments and eliminations *	-	(775.64)
	Revenue from operations	**156,820.72**	**129,102.59**
2	**Segment results**		
	a Forgings	18,426.17	13,424.92
	b Defence	1,824.64	(17.89)
	c Others	(716.04)	(749.81)
	Total segment profits before interest, tax and exceptional items from each reportable segment	**19,534.77**	**12,657.22**
	Less: Finance cost	4,911.67	2,986.21
	Less: Other unallocable expenditure net off unallocable income	109.94	943.63
		14,513.16	**8,727.38**
	Add: Exceptional items gain/(loss)		
	a Forgings	(20.97)	(457.91)
	b Defence	-	-
	c Others	(102.26)	-
	Total Exceptional items gain/(loss)	**(123.23)**	**(457.91)**
	Profit/(Loss) before tax and adjustments	**14,389.93**	**8,269.47**
	Adjustments and eliminations *	-	-
	Profit/(Loss) before tax	**14,389.93**	**8,269.47**
3	**Segment income/(expense)**		
3.1	**Segment Depreciation, amortisation and impairment expense**		
	a Forgings	7,726.70	6,869.71
	b Defence	38.47	29.01
	c Others	703.29	443.65
	d Unallocable	13.51	13.47
	Total	**8,481.97**	**7,355.84**
	Adjustments and eliminations *	-	-
	Depreciation, amortisation and impairment expense	**8,481.97**	**7,355.84**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

49. SEGMENT INFORMATION (CONTD.)

In ₹ Million

Sr. No.		March 31, 2024	March 31, 2023
3.2	**Segment Income tax expense/(income)**		
	a Forgings	4,798.20	3,103.97
	b Defence	345.94	30.56
	c Others	144.19	51.93
	Total	**5,288.33**	**3,186.46**
	Adjustments and eliminations *	-	(0.87)
	Income tax expense (excluding impact of deferred tax in OCI)	**5,288.33**	**3,185.59**
3.3	**Share of (loss) of associates and joint ventures*****		
	a Forgings	-	-
	b Defence	22.55	(0.74)
	c Others	43.16	(333.64)
	Total share of (loss) of associates and joint ventures	**65.71**	**(334.38)**
4	**Segment assets**		
	a Forgings	123,228.63	121,648.24
	b Defence	13,389.63	6,203.04
	c Others	13,804.29	12,479.78
	d Unallocable assets including unutilised fund	43,520.10	44,532.83
	Total	**193,942.65**	**184,863.89**
	Less - Intersegment assets	451.88	37.36
	Total	**193,490.77**	**184,826.53**
	Adjustments and eliminations *	-	(984.66)
	Total assets	**193,490.77**	**183,841.87**
5	**Segment liabilities**		
	a Forgings	28,151.14	27,229.23
	b Defence	8,018.01	9,367.91
	c Others	2,372.27	2,526.97
	d Unallocable	4,256.14	4,868.38
	Total	**42,797.56**	**43,992.49**
	Less - Intersegment liabilities	451.88	37.36
	Total	**42,345.68**	**43,955.13**
	Adjustments and eliminations *	-	(853.60)
	Total liabilities	**42,345.68**	**43,101.53**
	Net Capital employed	**151,145.09**	**140,740.34**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

49. SEGMENT INFORMATION (CONTD.)

In ₹ Million

Sr. No.		March 31, 2024	March 31, 2023
6	**Other disclosures**		
6.1	**Investments in associates and joint ventures******		
	a Forgings	-	-
	b Defence	126.90	114.90
	c Others	512.37	471.61
	Total	**639.27**	**586.51**
	Adjustments and eliminations *	-	-
	Investments in associates and joint ventures	**639.27**	**586.51**
6.2	**Increase in non-current non-financial asset for the year**		
	a Forgings	12,070.58	12,845.47
	b Defence	1,441.37	363.94
	c Others	3,139.04	5,325.61
	Total	**16,650.99**	**18,535.02**
	Adjustments and eliminations *	-	158.88
	Increase in non-current non-financial asset for the year	**16,650.99**	**18,693.90**
7	**Information in respect of geographical areas**		
7.1	**Segment revenue from external customers****		
	a Within India	**38,334.47**	**33,757.32**
	b Outside India		
	Europe	55,295.15	46,322.00
	USA	39,346.00	28,085.25
	Others	23,845.05	20,938.02
	Subtotal	**118,486.20**	**95,345.27**
	Total	**156,820.67**	**129,102.59**
7.2	**Segment non-current assets**		
	a Within India	49,534.85	47,234.39
	b Outside India	29,936.74	25,973.78
	Total	**79,471.59**	**73,208.17**

* Ind AS 108 requires disclosure of reconciliations between segment information and respective line item in Consolidated Financial Statements. Adjustments and eliminations include elimination of assets and liabilities of joint ventures and associates which have been accounted under 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 location of the customers. No single external customer contributed more than 10% of Group's total revenue for the year ended March 31, 2024 and March 31, 2023.

*** Excluding effects of share of OCI of associates and joint ventures amounting to ₹ 0.38 million (March 31, 2023 ₹ 0.89 million)

**** Excluding loan to associate representing long term interest of the Group in the associate. **(Refer note 39)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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 Dollar and Euro. These forecast transactions are highly probable.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In ₹ Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	1,832.07	17.11	2,069.22	46.38

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit and loss. Amounts of outstanding forward contracts are as follows:

In ₹ Million

Nature of instrument	Currency	Purpose	As at March 31, 2024		As at March 31, 2023	
			Foreign Currency in Million	In ₹ Million	Foreign Currency in Million	In ₹ Million
Forward Contracts	USD	Hedging of highly probable forecast sales	554.00	48,300.39	619.80	53,643.40
Forward Contracts	EUR	Hedging of highly probable forecast sales	169.50	17,048.01	163.02	16,552.79

The cash flow hedges of the expected future sales during the year ended March 31, 2024 were assessed to be highly effective and a net unrealised (loss)/gain of ₹ 1,807.64 million (March 31, 2023: ₹ 1,656.13 million), with a deferred tax liability of ₹ 455.79 million (March 31, 2023: ₹ 417.19 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, 2024 as detailed in note 33, totalling ₹ 1,224.03 million (gross of deferred tax) (March 31, 2023: ₹ 1,373.62 million). The amounts retained in OCI at March 31, 2024 are expected to mature and affect the statement of profit and loss till the year ended March 31, 2027.

Fair value hedges

At March 31, 2024, the Company has a cross currency swap agreement in place. During the current year, the company has converted its Rupee Preshipment Credit into USD/EUR. The said agreeement has been entered for interest cost arbitrage.

\# At March 31, 2023, one of the companies in the group has a cross currency agreements in place. The original lender shall make available to the Borrower, a term loan facility ("Facility A") upto an aggregate principal amount of 10 million euros and after Facility A has been disbursed, another facility ("Facility B") shall be utilised which will be made available upto an aggregate principal amount of 5 million euros. The rate of interest for Facility A and Facility B is fixed at EURIBOR + 250 basis points.

In earlier years, the Holding Company has converted one of its USD loans into a Euro loan for interest arbitrage. Under the original agreement the interest rate was fixed at LIBOR + 67 basis points, but due to the cross currency swap arrangement the revised interest rate has been fixed at EURIBOR + 87 basis points, decreasing the corresponding interest cost on the term loan.

Also as at March 31, 2024 the Company had certain forward contracts outstanding, which are being used to hedge the exposure to changes in fair value of its underlying trade receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The impact of the derivative instrument on the balance sheet as at March 31, 2024 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 2024
Cross currency swap #	EUR 13.17	130.59	Derivative instruments	Nil
Cross currency swap #	USD 14.50	-		
Forward Contracts	EUR 4.75	5.14	Derivative instruments	Nil

The impact of the derivative instrument on the balance sheet as at March 31, 2023 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 2024
Cross currency swap	EUR 10.21	76.42	Derivative instruments	Nil
Cross currency swap	USD 9.73	0.60	Derivative instruments	Nil
Cross currency swap #	EUR 15.00	175.67	Derivative instruments	Nil
Cross currency swap #	USD 17.40	-		
Forward Contracts	USD 2.28	1.47	Derivative instruments	Nil

The impact of the hedged item on the balance sheet as at March 31, 2024 is, as follows:

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2024
Trade receivables	EUR 4.75	NIL

The impact of the hedged item on the balance sheet as at March 31, 2023 is as follows:

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2023
Current borrowings	USD 12.00	NIL
Current borrowings	INR 800.00	NIL
Trade receivables	USD 2.28	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.

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for the year ended March 31, 2024

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, 2024

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	-	-	1,060.94
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)	-	-	16.46
Electron Transport Inc.	-	-	1,054.62
Ratnakar Energy Private Limited	-	-	13.00
SPI Power LLP	-	-	0.01
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	454.85	-	-
KPIT Technologies Limited **[Refer note 51 (b)]**	911.16	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	1,832.06	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited **[Refer note 51 (a)]**	-	-	-
Derivative instruments at FVTPL			
Fair value hedges	-	143.57	-
Derivatives not designated as hedge	-	7.83	-
Unquoted funds			
Investments in private equity fund	-	113.34	-
Investments in mutual funds	-	8,243.06	-
Quoted funds/bonds			
Investments in mutual funds	2,307.02	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	17.11	-

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51. FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosure fair value measurement hierarchy for assets/liabilities as at March 31, 2023

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	-	-	988.00
Avaada SataraMH Private Limited	-	-	142.45
Avaada MHBuldhana Private Limited **[Refer note 51 (c)]**	-	-	20.34
TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited)	-	2,952.03	-
Electron Transport Inc.	-	-	350.21
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	160.08	-	-
KPIT Technologies Limited **[Refer note 51 (b)]**	567.09	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	2,069.22	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited **[Refer note 51 (a)]**	-	-	-
Derivative instruments at FVTPL			
Fair value hedges	-	254.16	-
Unquoted funds			
Investments in private equity fund	-	255.93	-
Investments in mutual funds	-	15,466.26	-
Quoted funds/bonds			
Investments in mutual funds	2,570.57	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	-	-

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for the year ended March 31, 2024

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 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2024 and March 31, 2023 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)	Cost method	Estimated realisation rates for developed land and land under development	March 31, 2024: ₹ 11.00 million to ₹ 12.60 million/acre (March 31, 2023: ₹ 10.60 million to ₹12.60 million/acre)	A 5% increase/(decrease) in realisation rate would result in an increase/(decrease) in fair value per share by ₹ 1.55 (March 31, 2023: ₹ 1.50)
		Estimated realisation rates for undeveloped land	Not Applicable	
Unquoted equity shares in Avaada SataraMH Private Limited (ASPL)	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	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(f)]	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 latest information for the purpose of valuation. However, such information is not available as GEPL has not filed the financial statements with 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.

(b) KPIT Technologies Limited

The Company had invested into 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

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

51. FAIR VALUE HIERARCHY (CONTD.)

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 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 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 31,2024 and March 31,2023

(c) Avaada MHBuldhana Private Limited

The investment in equity shares of Avaada MHBuldhana Private Limited which was 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 the overall intention of the management in relation to the equity shares, the fair value of such shares for the Company is the same as it cost i.e. the face value.

(d) Harbinger Motors Inc. (formerly known as Electron Transport Inc.)

The Group had made investment in preferred stock of Harbinger Motors Inc. (formerly known as Electron Transport Inc.) in the current year as at March 31, 2024. Considering the nature of the investment and the overall intention of the management in relation to this investment, the fair value of such investment as at March 31, 2024 is fair valued through other comprehensive income.

(e) Ratnakar Energy Private limited

The Group had made investment in equity shares of Ratnakar Energy Private Limited on November 6, 2023. Considering the investment being short term in nature and the overall intention of the management in relation to this investment, the fair value of such investment as at March 31, 2024 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 prefered stocks in Electron Transport Inc.
As at April 1, 2022	**-**	**142.45**	**825.26**	**20.34**	**2,941.02**	**305.70**
Remeasurement recognised in OCI	-	-	162.74	-	-	-
Remeasurement recognised in Statement of profit and loss	-	-	-	-	11.01	-
Purchases	-	-	-	-	-	44.51
As at March 31, 2023	**-**	**142.45**	**988.00**	**20.34**	**2,952.03**	**350.21**
Remeasurement recognised in OCI	-	23.93	72.94	3.42	-2,942.31	159.00
Remeasurement recognised in Statement of profit and loss	-	-	-	-	-	-
Purchases	13.00	-	-	-	-	545.41
As at March 31, 2024	**13.00**	**166.38**	**1,060.94**	**23.76**	**9.72**	**1,054.62**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024 and March 31, 2023, other than those with carrying amounts that are reasonable approximates of fair values:

In ₹ Million

Particulars	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(i) Investments	6,959.90	14,601.13	6,959.90	14,601.13
(ii) Loans	60.26	56.78	60.26	56.78
(iii) Trade receivables	97.91	113.25	97.91	113.25
(iv) Derivative instruments	827.40	822.17	827.40	822.17
(v) Other non-current financial assets	671.67	570.14	671.67	570.14
Total financial assets	**8,617.14**	**16,163.47**	**8,617.14**	**16,163.47**
(i) Borrowings	18,589.80	17,512.72	18,589.80	17,512.72
(ii) Other non-current financial liabilities	253.09	391.09	253.09	391.09
(iii) Lease liabilities	3,792.56	4,161.77	3,792.56	4,161.77
Total financial liabilities	**22,635.45**	**22,065.58**	**22,635.45**	**22,065.58**

The management assessed that the fair value of cash and cash equivalent, trade receivables, derivative instruments, trade payables, and other current financial assets and liabilities approximate 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 approximate their carrying amounts largely due to expected credit loss/discounting at rates which are an approximation of 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 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 a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the 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), comparable transaction method (Tevva) as well as current market value method (ASPL and AMPL). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

52. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

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 the use of 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, 2024, 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, 2024 and March 31, 2023 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								
Bharat Forge Limited								
Balance as at March 31, 2024	119.59	85,687.81	156.56	14,249.58	(23.34)	(1,837.03)	282.97	12,412.55
Balance as at March 31, 2023	114.22	76,999.97	205.64	10,454.72	185.46	(1,293.37)	208.85	9,161.35
Subsidiaries								
Foreign								
1) Bharat Forge Global Holding GmbH - Group								
Balance as at March 31, 2024	3.33	2,388.54	(25.43)	(2,314.94)	(0.94)	(74.26)	(54.47)	(2,389.20)
Balance as at March 31, 2023	3.54	2,388.54	(45.74)	(2,325.22)	28.48	(198.60)	(57.54)	(2,523.82)
2) Bharat Forge America Inc. - Group								
Balance as at March 31, 2024	3.00	2,151.57	(26.69)	(2,429.17)	(1.10)	(86.66)	(57.35)	(2,515.83)
Balance as at March 31, 2023	3.19	2,151.57	(37.71)	(1,916.99)	39.69	(276.81)	(50.01)	(2,193.80)
3) Bharat Forge International Limited								
Balance as at March 31, 2024	3.42	2,451.38	4.31	392.01	(1.40)	(110.20)	6.42	281.81
Balance as at March 31, 2023	3.22	2,169.45	8.07	410.02	(20.80)	145.08	12.65	555.10

Notes to Consolidated Financial Statements

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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, 2024	3.03	2,170.97	(19.13)	(1,741.08)	2.02	159.15	(36.06)	(1,581.93)
Balance as at March 31, 2023	1.56	1,050.09	(22.46)	(1,141.80)	(1.91)	13.31	(25.73)	(1,128.49)
2) Kalyani Strategic Systems Limited - Group								
Balance as at March 31, 2024	2.62	1,880.39	10.12	921.29	(0.03)	(2.31)	20.95	918.98
Balance as at March 31, 2023	1.42	959.88	3.09	156.99	(0.04)	0.29	3.59	157.28
3) BF Industrial Solutions Limited - Group								
Balance as at March 31, 2024	7.87	5,640.22	2.86	259.86	0.01	0.43	5.93	260.29
Balance as at March 31, 2023	7.06	4,757.43	5.81	295.55	0.03	(0.23)	6.73	295.32
4) BF Infrastructure Limited - Group								
Balance as at March 31, 2024	0.25	177.06	(0.95)	(86.04)	(0.00)	(0.21)	(1.97)	(86.25)
Balance as at March 31, 2023	0.39	263.30	(0.95)	(48.50)	(0.05)	0.32	(1.10)	(48.18)
5) Kalyani Centre for Precision Technology Limited		-						
Balance as at March 31, 2024	1.13	809.08	0.87	79.15	(0.00)	(0.01)	1.80	79.14
Balance as at March 31, 2023	1.08	729.94	1.04	52.79	0.00	(0.01)	1.20	52.78
6) BF Elbit Advanced Systems Private Limited								
Balance as at March 31, 2024	(0.24)	(168.40)	(0.22)	(20.29)	-	-	(0.46)	(20.29)
Balance as at March 31, 2023	(0.22)	(148.11)	(0.38)	(19.13)	-	-	(0.44)	(19.13)
7) Eternus Performance Material Private Limited								
Balance as at March 31, 2024	(0.01)	(4.23)	(0.03)	(2.51)	-	-	(0.06)	(2.51)
Balance as at March 31, 2023	(0.00)	(1.72)	0.00	0.19	-	-	0.00	0.19
8) Kalyani Lightweighting Technology Solutions Limited								
Balance as at March 31, 2024	(0.00)	(0.17)	(0.00)	(0.08)	-	-	(0.00)	(0.08)
Balance as at March 31, 2023	(0.00)	(0.09)	(0.00)	(0.10)	-	-	(0.00)	(0.10)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024	0.03	19.70	(0.00)	(0.16)	-	-	(0.00)	(0.16)
Balance as at March 31, 2023	0.54	360.72	(3.93)	(199.77)	0.04	(0.28)	(4.56)	(200.05)
Associates (accounting as per the equity method)								
Indian								
1) Ferrovia Transrail Solutions Private Limited								
Balance as at March 31, 2024	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	(17.23)	(0.05)	(2.79)	(0.00)	0.02	(0.06)	(2.77)
2) Aeron Systems Private Limited								
Balance as at March 31, 2024	-	(299.32)	(0.01)	(1.03)	0.41	32.33	0.71	31.30
Balance as at March 31, 2023	-	242.22	(0.01)	(0.74)	(0.01)	(0.42)	(0.03)	(1.16)
3) Avaada MHVidarbha Private Limited								
Balance as at March 31, 2024	-	96.84	0.04	3.46	0.21	16.90	0.46	20.36
Balance as at March 31, 2023	-	422.46	(0.05)	(2.40)	-	-	(0.05)	(2.40)
Joint Ventures (accounting as per the equity method)								
Foreign								
1) REFU Drive GmbH (including subsidiary)								
Balance as at March 31, 2024	-	(111.84)	0.40	36.37	-	-	0.83	36.37
Balance as at March 31, 2023	-	(120.57)	(6.46)	(328.45)	(0.01)	(0.49)	(7.50)	(328.94)
Adjustments arising out of consolidation								
March 31, 2024	(44.03)	(31,550.83)	(2.26)	(206.03)	124.79	9,821.46	219.21	9,615.43
March 31, 2023	(36.48)	(24,591.65)	(12.49)	(634.88)	(130.91)	912.92	6.34	278.04
March 31, 2024 - Group	**100.00**	**71,653.09**	**100.00**	**9,101.59**	**100.00**	**7,870.36**	**386.91**	**4,386.49**
March 31, 2023 - Group	**100.00**	**67,415.98**	**100.00**	**5,083.87**	**100.00**	**(697.38)**	**100.00**	**4,386.49**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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, 2024

Investments

The Holding Company has investments in 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.	February 09, 2024	1,248.30	Bharat Forge Aluminium USA, Inc.	February 09, 2024	1,248.30
2	Kalyani Powertrain Limited	July 11, 2023	801.91	Kalyani Mobility Inc.	September 14, 2023	498.72
					December 22, 2023	83.19
				Electroforge Limited	December 21, 2023	150.00
					February 01, 2024	20.00
					February 09, 2024	20.00
					March 04, 2024	30.00
3	BF Industrial Solutions Limited	April 21, 2023	622.50	JS Auto cast Foundry India Private Limited	April 21, 2023	622.50

Loans

The Holding Company has given loans to following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date on which loan was given to subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date on which loan was given by subsidiary into beneficiary	Amount invested by subsidiary into beneficiary
1	Bharat Forge America Inc.	January 29, 2024	999.12	Bharat Forge Aluminium USA, Inc.	January 29, 2024	999.12

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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.)

For year ended March 31, 2023

Investments

The Holding Company has investments in 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	Kalyani Powertrain limited	August 19, 2022	270.00	Kalyani Mobility INC	August 19, 2022	263.91
2	BF Industrial Solutions limited	July 01, 2022	3,380.00	Promoters of JS Auto Cast Foundry India Private Limited	July 01, 2022	3257.31
		October 06, 2022	117.29	Promoters of JS Auto Cast Foundry India Private Limited	October 06, 2022	117.29
3	Bharat Forge America Inc	April 12, 2022	609.04	Bharat Forge Aluminium USA, Inc.	April 13, 2022	609.04
		June 21, 2022	956.28	Bharat Forge Aluminium USA, Inc.	June 22, 2022	956.28
		September 21, 2022	156.18	Bharat Forge Aluminium USA, Inc.	September 22, 2022	156.18

Loans

The Holding Company has given loans to following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date on which loan was given to subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date on which loan was given by subsidiary into beneficiary	Amount invested by subsidiary into beneficiary
1	Kalyani Powertrain limited	June 07, 2022	50.00	Tork Motors Private limited	June 08, 2022	50.00
		August 08, 2022	50.00	Tork Motors Private limited	August 12, 2022	50.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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.)

Statement of compliance

With regard to the investments made, loan given and guarantees given during the year ended March 31, 2024 as well as March 31, 2023, the Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 and the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Particulars of the intermediaries/beneficiaries/ultimate beneficiaries

1 Bharat Forge America Inc.
Registered office: 2150, Schmiede St, Surgoinville, 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 Kalyani Powertrain Limited
Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned subsidiary

4 BF Industrial Solutions Limited
Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned subsidiary

5 Tork Motors Pvt Ltd, India
Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down subsidiary

6 Kalyani Mobility Inc.
Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Step-down subsidiary

7 Electroforge Limited
Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down subsidiary

8 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, 2024

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)

(a) **Kalyani Powertrain Limited ('KPL')**

Investments

In ₹ Million

Sl. No.	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)
1	Bharat Forge Limited	July 11, 2023	801.91	Kalyani Mobility Inc.	September 14, 2023	498.72
					December 22, 2023	83.19
				Electroforge Limited	December 21, 2023	150.00
					February 01, 2024	20.00
					February 09, 2024	20.00
					March 04, 2024	30.00

Statement of compliance

With regard to the investments made by KPL into KMI, as on March 31, 2024, KPL has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 and the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

1 **Kalyani Mobility Inc.**
Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Wholly owned subsidiary

2 **Electroforge Limited**
Registered office: S. No. 49, Industry House, Opp Kalyani Steels Ltd Mundhwa, Pune, Maharashtra, India, 411036

Relationship with the beneficiary: Wholly owned subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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) (CONTD.)

(b) BF Industrial Solutions Limited, India

Investments

In ₹ Million

Sl. No.	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)
1	Bharat Forge Limited	April 21, 2023	622.50	JS Auto cast Foundry India Private Limited	April 21, 2023	622.50

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune

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, India, 641107

Relationship with the beneficiary: Wholly owned subsidiary

(c) Bharat Forge America Inc., USA

Investments

In ₹ Million

Sl. No.	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)
1	Bharat Forge Limited	February 09, 2024	1,248.30	Bharat Forge Aluminium USA, Inc.	February 09, 2024	1,248.30

Loan

In ₹ Million

Sl. No.	Name of the subsidiary	Date on which loan was given to subsidiary	Amount invested in Subsidiary	Name of the beneficiary	Date on which loan was given by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	January 29, 2024	999.12	Bharat Forge Aluminium USA, Inc.	January 29, 2024	999.12

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

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) (CONTD.)

Particulars of the funding party

1 **Bharat Forge Limited**
Registered office: Mundhwa, Pune

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: Wholly owned Subsidiary

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 risk, credit risk and liquidity risk. 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 the derivative activities for risk management purposes are carried out by experienced members from the 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 policies for managing each of these risks, which are summarised as 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 relate to the position as at March 31, 2024 and March 31, 2023.

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 on the basis of hedge designations in place at March 31, 2024.

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, 2024 and March 31, 2023 including the effect of hedge accounting.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group 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 and in certain cases fixed interest rates.

The Group avails short-term debt in foreign currency up to 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.

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, 2024, the Group's majority long-term borrowings are at a floating rate of interest except for 5.97% Rated Unsecured Non-convertible debentures, 5.80% Rated Unsecured Non-Convertible Debentures and 7.80% Rated Unsecured Non-Convertible Debentures

Interest rate sensitivity

The Group's total interest cost for the year ended March 31, 2024 was ₹ 4,753.01 million and for year ended March 31, 2023, it was ₹ 2,986.20 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, 2024	March 31, 2023
USD	+/- 50	13.35	21.37
EUR*	50	43.41	44.18
EUR*	-50	-43.41	-44.18

*During current as well as previous financial year, EURIBOR was trading in negative zone and some of the Euro borrowings were floored at zero EURIBOR while others were trading at floating EURIBOR. Further Euro borrowings include USD borrowings swapped in to EURO borrowings through cross currency swap.

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 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 un-hedged which will be natural hedge

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

against its un-hedged exports. The Holding Company may hedge its long-term borrowing near to the repayment date to avoid rupee volatility in short term.

The Holding Company avails bills discounting facility in INR for some of its export receivables to avail interest subvention benefit. The Group manages foreign currency risk by hedging the receivables against the said liability. The Group 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 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.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2024:

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assests	25,240.04	5,955.87	399.07	3.84
Financial liabilities	-21,988.05	1,376.94	-263.85	-55.33

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 ₹ 1,066.85 Million for the year ended March 31, 2024.

The Group has not considered net non-current foreign currency loan exposure, being naturally hedged against future unhedged export receivables.

For the investment in subsidiaries, joint ventures and associates being strategic in nature, it does 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, 2023:

In ₹ Million

Particulars	USD	EUR	GBP	Others
Financial assests	23,132.53	7,714.77	533.54	0.00
Financial liabilities	-21,477.07	-7,900.08	-335.63	-69.89

10% appreciation/depreciation of the functional currency of the Group with respect to various foreign currencies would result in increase/decrease in the Group's profit before taxes by approximately ₹ 159.82 Million for the year ended March 31, 2023.

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, does 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 those derivatives 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Group discloses fair value of the outstanding derivative in the financial statements. The impact on the Company's pre-tax equity due to changes in 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD/INR -1	587.13	630.73	-	2.28
EUR/INR -1	214.51	164.52	4.75	-
EUR/USD -0.01	-	-	-	8.39

Foreign currency sensitivity

The following tables demonstrate the 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 unhedged 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD/INR -1	55.21	66.53	-69.15	-115.13
EUR/INR -1	26.46	17.51	-45.17	-16.66

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 the steel, the Group has agreed with its customers for a pass-through of increase/decrease in prices 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 arrangements for volatility in raw material prices for most of the customers. However, in a few cases there may be 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 ₹ 2,441.75 million (March 31, 2023: ₹ 4,708.96 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 ₹ 1,366.01 million (March 31, 2023: ₹ 727.17 million). A change of 10% on the NSE market index could have an impact of approximately ₹ 136.60 million (March 31, 2023: ₹ 72.72 million) on the OCI or equity attributable to the Group. These changes would not have an effect on profit or loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Other price risk

The Group invests its surplus funds in mutual funds, which are 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 is done in accordance with 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 ₹ 26.79 million (March 31, 2023: ₹ 45.09 million)

Credit risk

Credit risk is the risk that 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.

Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Further, the Group's customers include marquee OEMs and Tier I companies, having long-standing relationship with the Group. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2023, receivable from the Group's top 5 customers accounted for approximately 57.52% (March 31, 2023: 46.60%) 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 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 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 case of 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, 2024	% of loss allowance	1.75%	0.46%	1.19%	12.10%	28.35%	90.12%	2.33%
March 31, 2023	% of loss allowance	0.00%	3.60%	7.52%	25.27%	39.25%	12.62%	1.30%

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 regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through 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, 2024 and March 31, 2023 is the carrying amounts as illustrated in the respective notes except for financial guarantees. With respect to financial derivative instruments refer note 50.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Liquidity risk

Cash flow forecasting is performed by Treasury function. The Group's liquidity requirements are monitored at the Holding Company and individual component level 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 ₹ 10,550.08 million (March 31, 2023: ₹ 18,036.83 million) and other liquid assets of ₹ 16,780.15 million (March 31, 2023: ₹ 10,351.01 million) that are expected to readily generate cash inflows for managing liquidity risk.

As per the Group's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Group evaluates the option of refinancing entire or part of 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 and the Group is also maintaining surplus funds with short-term liquidity for future repayment of loan.

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, 2024				
Borrowings	56,630.95	18,589.80	-	**75,220.75**
Trade and other payables	22,621.22	-	-	**22,621.22**
Lease Liabilities	484.56	1,641.48	2,366.47	**4,492.51**
Other financial liabilities	1,814.41	253.09	-	**2,190.53**
Total	**81,551.14**	**20,484.37**	**2,366.47**	**104,525.01**
March 31, 2023				
Borrowings	51,010.61	17,512.72	-	**68,523.33**
Trade and other payables	21,513.40	-	-	**21,513.40**
Lease Liabilities	447.27	1,493.30	2,668.47	**4,609.04**
Other financial liabilities	1,799.44	391.09	-	**2,190.53**
Total	**74,770.72**	**19,397.11**	**2,668.47**	**96,836.30**

The management believes that the probability of any outflow on account of financial guarantees and letter 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 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 softwares 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 Holding Company and its three 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 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 two subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the application layer 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 one subsidiary company, the feature of recording audit trail (edit log) facility was not enabled at the application layer 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 one subsidiary company, the payroll accounting software does not have the feature of recording audit trail (edit log) facility.
- In respect of one subsidiary company, the inventory management software does not have the feature of recording audit trail (edit log) facility.
- In respect of 10 subsidiaries, the Companies have used the accounting softwares for maintaining their books of accounts which have a feature of recording audit trail (edit Log) facility for the part of the financial year. 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

57. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA did not issue any accounting standards that were effective on April 1, 2024.

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 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 23[th] October, 2021 resolving thereby few discrepancies, ambiguities etc.

The fair value of the share options was estimated at the grant date using 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	As at March 31, 2024	As at March 31, 2023
Expense arising from equity-settled share-based payment transactions	89.97	21.11

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

58. EMPLOYEE SHARE-BASED PAYMENTS (CONTD.)

Movement in share options post acquisition of TMPL by the Group:

In ₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding at March 31, 2023	2,101.00	1,198.00
Granted during the period	-	1,027.00
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	124.00
Outstanding at March 31, 2024	2,101.00	2,101.00
Exercisable at March 31, 2024	2,101.00	1,198.00

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 grated in financial year ended March 31, 2022 was determined based on the price at which equity shares of the TMPL were issued to external investors. Exercise price of the options grated in financial year ended March 31, 2023 and 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, 2024				
RBC Bearings Pvt Ltd	0.02	-	Expense	Vendor*
D J Share Trading Company Pvt Ltd	0.00	-	Dividend	Shareholder*
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder*
Kothari Intergroup Ltd	0.00	-	Dividend	Shareholder*
Aditya Cyber Services And Management Solutions Private Limited	0.00		Dividend	Shareholder*
March 31, 2023				
Harinagar Sugar Mills Ltd.	0.72	-	Receivables	Customer
Havinhomes Reality & Consulting Services Private Limited	0.01	-	Payables	Vendor
Dreams Broking Private Limited*	0.00	-	Dividend	Shareholder
Aditya Cyber Services and Management Solutions Private 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

59. OTHER STATUTORY INFORMATION (CONTD.)

59.2. There are no proceedings initiated or pending against the Group for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

59.3. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

59.4. The Group does not have any charge, which is yet to be registered with 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 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, 2024, 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).

59.6. The Group has not revalued any property, plant and equipment or intangible assets.

59.7 .During the previous year, the holding Company transferred its interest in wholly owned Analogic Controls India Limited ('ACIL') to its another wholly owned subsidiary Kalyani Strategic Systems Limited ('KSSL'). After this transfer, KSSL filed scheme of amalgamation of ACIL with KSSL under section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the same was approved by the Ministry of Corporate Affairs through Regional Director (W.R), wide Order dated 24th February, 2023. Through this scheme the entire business and undertaking together with all the related assets and liabilities of ACIL were deemed to have been transferred to and vested in the KSSL.

59.8. 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.

59.9. As per 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 softwares for maintaining its 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 respective softwares. However the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting softwares used for maintaining the books of accounts

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of Bharat Forge Limited

Shiraz Vastani
Partner
Membership Number: 103334

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

Amit Kalyani
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

Place: Pune
Date: May 08, 2024

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 23 to Dec 23	EUR	92.00	460.02	(344.95)	9,203.64	9,088.56	7,167.14	0.14	(146.03)	1.75	(147.78)	100%
2	Bharat Forge CDP GmbH	Jan 23 to Dec 23	EUR	92.00	46.00	3,833.70	10,736.06	6,856.35	142.61	21,724.99	601.76	40.61	561.16	100%
3	Bharat Forge Holding GmbH	Jan 23 to Dec 23	EUR	92.00	2.30	1,176.70	5,399.59	4,220.59	1,568.80	-	(3.29)	-	(3.29)	100%
4	Bharat Forge Aluminiumtechnik GmbH	Jan 23 to Dec 23	EUR	92.00	763.64	(341.23)	18,540.26	18,117.86	-	13,869.05	(1,840.03)	-	(1,840.03)	100%
5	Bharat Forge Kilsta AB	Jan 23 to Dec 23	SEK	8.00	0.16	0.01	5.27	5.11	-	10.18	(0.17)	-	(0.17)	100%
6	Bharat Forge Daun GmbH	Jan 23 to Dec 23	EUR	92.00	4.60	325.45	2,208.34	1,878.29	-	1,600.32	178.52	1.92	176.60	100%
7	Mecanique Generale Langroise	Jan 23 to Dec 23	EUR	92.00	55.20	287.84	480.71	137.67	0.01	638.32	119.15	(0.41)	119.57	100%
8	Bharat Forge America Inc.	Apr 23 to Mar 24	USD	83.37	9,620.10	(7,506.08)	8,898.11	6,784.09	2,383.13	343.73	(2,452.88)	-	(2,452.88)	100%
9	Bharat Forge PMT Technologie LLC	Apr 23 to Mar 24	USD	83.37	3,326.93	(2,165.82)	3,713.78	2,552.68	-	3,216.17	(338.71)	-	(338.71)	100%
10	Bharat Forge Tennessee Inc.	Apr 23 to Mar 24	USD	83.37	389.95	124.29	561.46	47.23	262.05	30.01	(60.08)	0.66	(60.74)	100%
11	Bharat Forge Aluminum USA, Inc.	Apr 23 to Mar 24	USD	83.37	6,159.32	(4,979.39)	17,091.52	15,911.59	-	5,063.55	(2,179.55)	-	(2,179.55)	100%
12	Kalyani Mobility Inc (formerly Kalyani Precision Machining Inc.)	Apr 23 to Mar 24	USD	83.37	0.00	1,708.22	1,872.70	164.48	1,690.40	-	(104.12)	3.88	(108.01)	100%
13	Bharat Forge International Limited	Apr 23 to Mar 24	USD	83.37	8.74	2,442.65	25,457.10	23,005.71	-	34,372.90	548.99	154.24	394.75	100%
14	Kalyani Strategic Systems Australia Pty Ltd.	Apr 23 to Mar 24	AUD	54.34	0.43	(0.39)	0.04	-	-	-	(0.35)	-	(0.35)	100%
15	BF Infrastructure Limited	Apr 23 to Mar 24	INR	1.00	2,239.67	(2,087.54)	171.45	19.32	-	0.78	(112.61)	-	(112.61)	100%
16	Kalyani Strategic Systems Limited	Apr 23 to Mar 24	INR	1.00	665.11	967.85	11,013.90	9,380.94	505.33	11,445.58	1,182.92	328.83	854.09	100%
17	Kalyani Rafael Advanced Systems Private Limited	Apr 23 to Mar 24	INR	1.00	398.02	36.71	2,552.45	2,117.72	-	2,726.26	73.80	17.12	56.68	50%
18	BF Elbit Advanced Systems Private Limited	Apr 23 to Mar 24	INR	1.00	19.80	(188.23)	24.82	193.24	-	-	20.31	-	20.31	51%
19	Zorya Mashproekt India Private Limited	Apr 23 to Mar 24	INR	1.00	7.70	(3.65)	8.48	4.43	-	5.90	(3.09)	-	(3.09)	64.94%
20	BFIL-CEC JV	Apr 23 to Mar 24	INR	1.00	-	(2.42)	5.82	8.24	-	-	0.14	-	0.14	74%
21	Kalyani Centre for Precision Technology Limited	Apr 23 to Mar 24	INR	1.00	690.88	118.20	1,120.01	310.92	-	583.79	113.53	34.38	79.15	100%
22	Eternus Performance Materials Private Limited	Apr 23 to Mar 24	INR	1.00	1.63	(2.63)	39.86	40.86	-	9.02	0.64	-	0.64	51%
23	Kalyani Powertrain Limited	Apr 23 to Mar 24	INR	1.00	4,506.63	(814.56)	5,198.85	1,506.77	2,286.77	649.00	(62.14)	-	(62.14)	100%
24	Tork Motors Private Limited	Apr 23 to Mar 24	INR	1.00	0.42	(910.26)	557.18	1,467.02	1.33	582.24	(1,009.51)	-	(1,009.51)	64.29%
25	Lycan Electric Private Limited	Apr 23 to Mar 24	INR	1.00	1.33	(131.18)	56.78	186.63	-	346.28	(116.34)	-	(116.34)	64.29%
26	BF Industrial Solutions Limited (Formerly Nouveau Power and Infrastructure Private Limited)	Apr 23 to Mar 24	INR	1.00	4,832.29	168.92	5,105.47	104.26	4,983.98	14.77	(3.19)	-	(3.19)	100%
27	BF Industrial Technology & Solutions Limited (Formerly Sanghvi Forging and Engineering Limited)	Apr 23 to Mar 24	INR	1.00	900.50	11.84	1,266.82	354.48	-	1,118.90	120.03	-	120.03	100%
28	J S Auto Cast Foundry India Pvt. Ltd.	Apr 23 to Mar 24	INR	1.00	44.55	1,602.47	5,360.92	3,713.90	-	5,674.64	303.33	140.54	162.79	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
29	Electroforge Limited	Apr 23 to Mar 24	INR	1.00	0.10	(0.45)	226.70	227.05	-	-	(0.36)	-	(0.36)	100%
30	Ferrovia Transrail Solutions Private Limited	Apr 23 to Mar 24	INR	1.00	0.10	(31.50)	22.88	54.28	-	-	(13.76)	0.01	(13.76)	100%
31	Kalyani Lightweighting Technology Solutions Limited	Apr 23 to Mar 24	INR	1.00	0.01	0.18	0.02	(0.17)	-	-	0.08	-	0.08	100%
32	Sagar Manas Technologies Limited	Apr 23 to Mar 24	INR	1.00	0.01	(0.26)	0.00	0.26	-	-	(0.15)	-	(0.15)	51%
33	Sanghvi Europe B.V.	Jan 23 to Dec 23	EUR	92.00	0.01	(9.77)	0.04	9.79	-	-	(0.06)	-	(0.06)	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	Refu Drive GmbH
1	Latest audited Balance Sheet Date	March 31, 2024	March 31, 2024	December 31, 2023
2	Shares of Associate/Joint Ventures held by the company on the year end			
i	Nos.	11,375,000	136,500	12,500
ii	Amount of Investment in Associates/Joint Venture	115.74	126.91	919.14
ii	Extend of Holding %	26.00%	37.14%	50.00%
3	Description of how there is significant influence	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
5	Networth attributable to Shareholding as per latest audited Balance Sheet	114.14	102.00	(55.92)
6	Profit/Loss for the year			
i	Considered in Consolidation	4.39	12.39	36.37
ii	Not Considered in Consolidation	12.51	20.97	36.37

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
Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2024

BHARAT FORGE | KALYANI

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