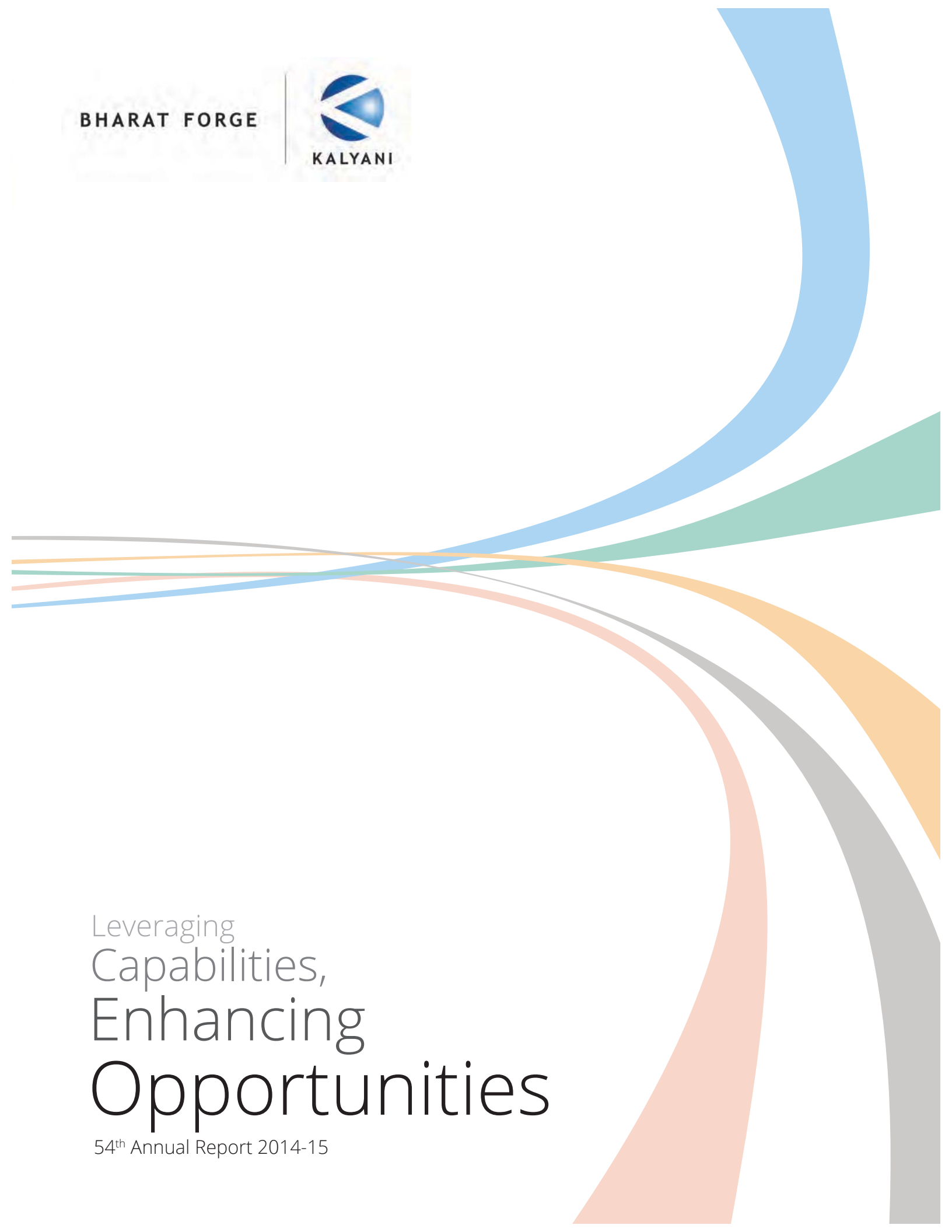


BHARAT FORGE



Leveraging
Capabilities,
Enhancing
Opportunities

54th Annual Report 2014-15



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The opportunities Bharat Forge seeks to leverage are represented through diverging line patterns. The inherent capabilities transform these opportunities into reality.



For more information log on to www.bharatforge.com



● 3D Printed Products

A SUCCESSFUL COMPANY WILL BECOME REDUNDANT OR LOSE ITS COMPETITIVENESS UNLESS IT KNOWS HOW AND WHEN TO ABANDON TRADITIONAL BUSINESS PRACTICES AND CAPITALISE ON INNOVATION TO GENERATE NEW OPPORTUNITIES.

To generate these opportunities, an innovation-focused approach should be central to the company's endeavours. This approach will enable the company to foray into exciting new avenues and enhance its repertoire of offerings and deliver better performance over a period of time.

BFL follows this very philosophy. It is the Company's constant pursuit to transform and evolve not only out of necessity but also to leverage its capabilities to make its business more resilient, and in doing so enhance its opportunities. The Company has made it its motto to incorporate new, forward looking processes and technologies, in addition to seeding the right talent.

“Success occurs when opportunity meets preparation.” - Zig Ziglar

Bharat Forge at a Glance

PART OF THE KALYANI GROUP, BHARAT FORGE IS AMONG THE WORLD’S LARGEST FORGING COMPANIES WITH MANUFACTURING FACILITIES SPREAD ACROSS INDIA, FRANCE, GERMANY AND SWEDEN. IT MANUFACTURES A WIDE RANGE OF HIGH PERFORMANCE, CRITICAL AND SAFETY COMPONENTS.

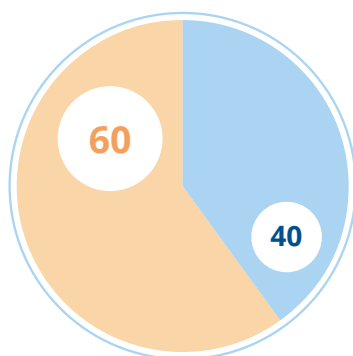
Bharat Forge Limited (BFL) is the world’s leading powertrain and chassis component manufacturer. BFL’s customer base includes virtually every global automotive OEM Tier 1 supplier and various OEMs in the industrial segment.

A technology-driven global leader in metal forming with its presence across 10 manufacturing locations, the Company has expanded its product offerings across both the automotive and the industrial sectors.

The Company is consistently enhancing its opportunities by venturing into new products, processes and technologies. It is able to create these opportunities and grow by leveraging its full service supply capability, strong focus on technology and innovation driven by in-house R&D and its rich repository of metallurgical knowledge.

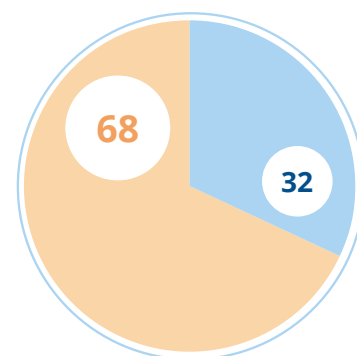
GEOGRAPHIC REVENUES

%



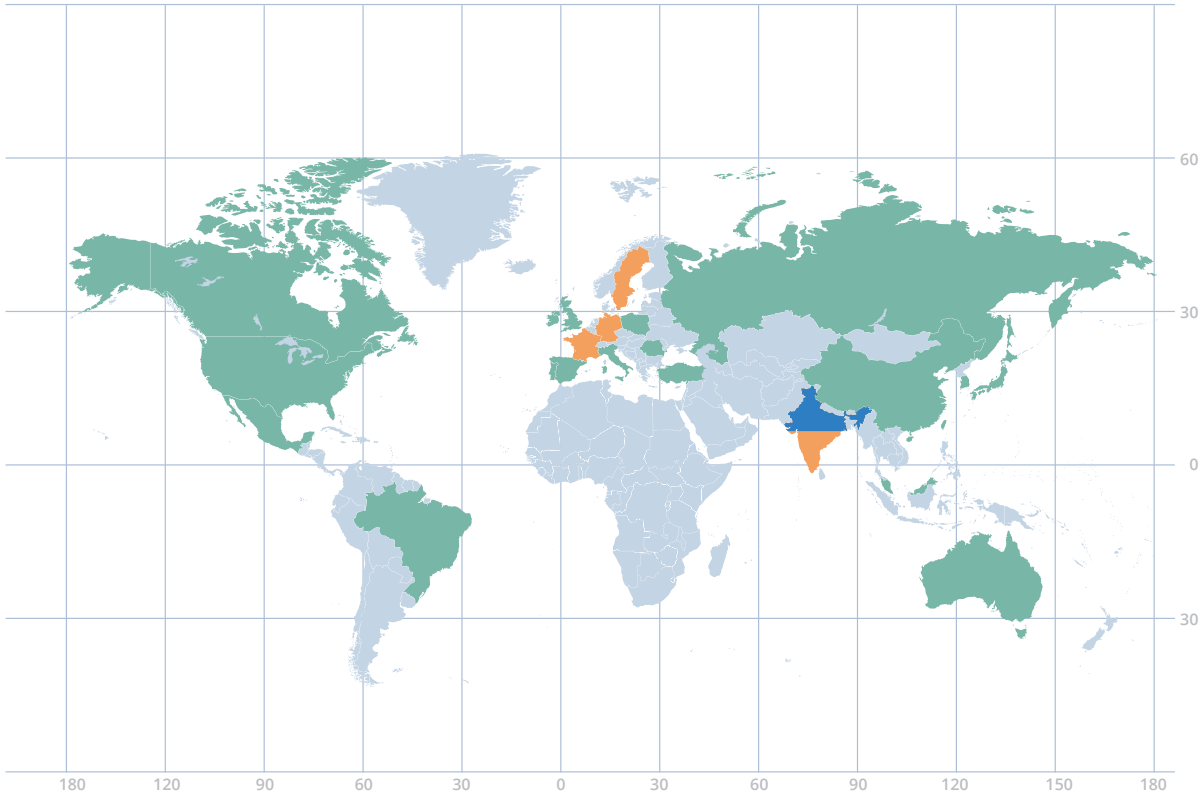
Standalone

India Outside India



Consolidated

India Outside India



Global Presence ● Customers ● Manufacturing & Customers ● Global Headquarters

HIGHLIGHTS FOR FY 2014-15

- 1 Consolidated Revenues of ₹ 76,248 Million, up 13.5%
- 2 EBITDA* of ₹ 14,751 Million, up 43.2%
- 3 Net Profit of ₹ 7,625 Million, up 53%
- 4 Entry into Aerospace segment with 4 marquee customer contracts
- 5 Expanded manufacturing footprint in Europe with acquisition of Mécanique Générale Langroise, France




*Excludes exchange gain/(loss) and other income

Business Verticals

AUTOMOTIVE

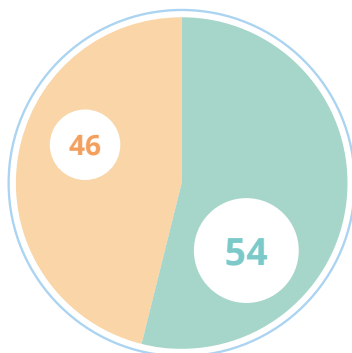
BFL has achieved its objective of creating a strong global leadership position in the automotive sector for safety and critical powertrain and chassis components.

Kgs

Segments	Powertrain		Chassis		Transmission Parts
					
Products	Crankshafts	Connecting Rods	Front Axles	Steering Knuckles	Transmission Parts
PASSENGER VEHICLES					
	10-30	<1	NA	2-10	0.5-6
LCV/MCV					
	25-80	1-3	30-60	10-30	3-30
HCV					
	60-250	2-5	60-150	25-40	20-100
OTHER AUTOMOTIVE PRODUCTS					
• Pistons, Rockers Arms • Control Arms, Swivel Hubs, Wheel Carriers and Brackets					

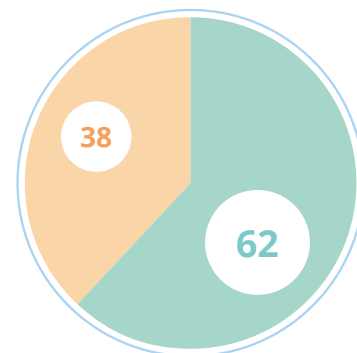
REVENUE DISTRIBUTION

%



Standalone

Automotive Industrial



Consolidated

Automotive Industrial

INDUSTRIAL

BFL is extending its expertise in the automotive business across other industrial verticals. In order to do so, it is exploring further opportunities in high value, high growth sectors.

ENERGY

Oil & Gas



Power



Nuclear, Thermal, Wind, Hydro



TRANSPORTATION

Rail



Marine



Aerospace



CONSTRUCTION & MINING

Construction



Metal & Mining



General Engineering



Board of Directors



MR. B.N. KALYANI
Chairman & Managing Director



MR. PRATAP G. PAWAR



MR. S. M. THAKORE



MRS. LALITA D. GUPTÉ



MR. P. H. RAVIKUMAR



MR. P. C. BHALERAO



MR. NARESH NARAD



DR. T. MUKHERJEE



MR. VIMAL BHANDARI



MR. G. K. AGARWAL
Deputy Managing Director



MR. AMIT B. KALYANI
Executive Director



MR. B. P. KALYANI
Executive Director



MR. S. E. TANDALE
Executive Director



MR. KISHORE SALETORÉ
Executive Director

Corporate Information



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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
The Royal Bank of Scotland N V
Credit Agricole CIB

Auditors

S R B C & Co. LLP
Chartered Accountants

Company Secretary

Anand Daga

Registered Office

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

Chairman & Managing Director's Message



Baba N. Kalyani
Chairman and Managing Director

CONTRARY TO WHAT IS HAPPENING AROUND THE WORLD, INDIA IS WITNESSING A HISTORIC TRYST WITH OPPORTUNITY. THE ECONOMY HAS BOTTOMED OUT AND IS INCHING UPWARDS.

Dear Shareholders,

Last year, I had dwelt at length on how transformation is the only way forward for a world grappling with slow and uneven growth. The big picture has not changed much this year, as the global economy as a whole continues to struggle with moderate growth. There are, however, a few bright spots as the US Economy is poised to register a healthy GDP growth; the UK is also well on its way to recovery. In comparison, Eurozone, Japan, China and other emerging markets are facing hardships and seeking new ways to revive growth. Industrial sectors globally are very subdued. I believe, long term revival can only happen when we create new vistas of opportunity.

Contrary to what is happening around the world, India is witnessing a historic tryst with opportunity. The economy has bottomed out and is inching upwards, thanks to the new government's growth-oriented policies. The latest Quarterly GDP reading at 7.5% in the January-March 2015 period, making India the fastest growing economy globally, is a reflection of the change which has happened over the past year. The government appears quite determined to remove the bottlenecks that so far restricted the surge of entrepreneurial energy in this young and aspiring nation.

Markets

Your Company's traditional market on the automotive side, the Medium & Heavy Commercial vehicle (M&HCV) segment, witnessed resurgence in demand especially in North America and India while the demand in Europe was sluggish.

The North American truck market production volume in CY2014 grew by 20% to 297,120 units and the market is expected to remain robust in the medium term.

The medium term outlook for the European Commercial Vehicle segment is likely to be positive. The recovery in the Indian CV market was particularly encouraging as it has reversed the volume decline witnessed in the past two years. With industrial activity expected to increase in FY 2015-16 and government focus on reviving stalled infrastructure projects, the M&HCV can look forward to another good year in FY2015-16.

The industrial side of the business for your Company, was a mixed bag due to the sharp decline in commodity prices which impacted the Oil & Gas and the Mining sectors. These sectors will most likely witness softness in demand going forward while the transportation sector (Railways & Aerospace) is growing globally. Our diversified business activity would enable continuity of growth despite challenges in certain pockets.

Financial Performance

FY 2014-15 has been a noteworthy year for your Company. Your Company's emphasis on major initiatives like focus on diversification, emphasis on technology, sweating of existing assets, concentrating on asset light model and reducing debt is paying off. On a Standalone basis, Total Revenue grew by 33.8% assisted by a healthy 47.2% growth in Exports and 17.8% growth in Domestic revenues. EBITDA margins expanded 440 bps from 25.4% in FY 2013-14 to 29.8% in FY 2014-15. Profit after tax (PAT) grew by 79.8% to ₹ 7,190 million in FY 2014-15 from ₹ 3,999 million in FY 2013-14.

The surge in profitability was driven by improvement in capacity utilization and focused cost reduction initiatives. We have further strengthened the balance sheet by retiring debt of around ₹ 5,300 million

33.8%

GROWTH IN
TOTAL REVENUE
(STANDALONE)



which includes ₹ 4,070 million of high cost rupee debt. Strong growth in profitability accompanied by efficient balance sheet management is reflecting in Return Ratios moving beyond the 20% mark.

Business Highlights

In my previous letters, I had talked about your Company's ambition and progress made in entering into the Aerospace segment for supply of critical components. Using our state-of-the-art Research & Innovation centre, and a talented resource pool, I am happy to inform that in FY 2014-15, your Company has completed the requisite quality homologation process to supply forgings. Our progress has been rewarded — your Company has successfully entered into relationships with four global OEMs. We are working on developing a roadmap to transform this relationship from single product to a portfolio of products over the next few years.

Goal 2018: 2X 2014

Your Company has charted out an ambitious plan to double the standalone operations topline from ₹ 3,400 crores achieved in FY 2013-14 to about ₹ 7,000 crores by FY 2017-18, a growth of 20% CAGR over the defined period. Your Company plans to achieve this through several growth initiatives led by improving market share and creating a broader product offering in industries we currently serve. Your Company's in-house Innovation & Technology Centre will be a key catalyst in almost all the growth initiatives. With the performance reported in FY 2014-15, I am happy to inform you that your Company is on track to achieve the targets set out.

Focus on Passenger Vehicles

The global passenger vehicle industry registered production of 67.5 million in CY2014. This sector is expected to stay robust over coming years. This segment is witnessing unprecedented technology

changes and breakthrough innovation. We have set our focus on increasing presence and penetration in the passenger vehicle segment initially through supply of engine and chassis components. We have won long-term contracts with Global OEMs and are in ramp up phase.

Portfolio expansion

Your Company has been able to grow and thrive in the industry because of its capabilities and its constant pursuit of diversifying its business across customers, sectors, geographies and products. Your Company is currently developing a new niche portfolio of components which will find application in both passenger and commercial vehicles. This will support our plan for sustained growth in medium to long term.

Advanced Manufacturing: Changing face of manufacturing

Over the past few decades, labour intensive manufacturing has given way to information technology based manufacturing known as advanced manufacturing driven by need to optimise processes and enhance productivity. Advanced manufacturing involves both new ways to manufacture existing products and manufacture of new products using latest advanced technologies.

Advanced manufacturing encapsulates a wide spectrum of activities and processes. Your Company's focus with regards to advanced manufacturing centers on four key activities namely 3D printing, Electron Beam Welding, laser welding and nanotechnology. All these activities will be carried out at our world class Technology Centre, KCTI. I am happy to share with you that we have already started making prototypes using both plastic and metal while the other activities are at an early stage and will ramp up over the next few months and quarters.

YOUR COMPANY HAS CHARTED OUT AN AMBITIOUS PLAN TO DOUBLE THE STANDALONE OPERATIONS TOPLINE FROM ₹ 3,400 CRORES ACHIEVED IN FY 2013-14 TO ABOUT ₹ 7,000 CRORES BY FY 2017-18.

Make in India

The Government's Make in India initiative is aimed at reviving the manufacturing sector and increasing its percentage of GDP from 15% to 25%. The initiative is also about creating a vibrant ecosystem for world class manufacturing to flourish by removing infrastructure bottlenecks, enhancing ease of doing business by doing away with red tapism and bringing about indigenisation of components/products which hitherto were imported.

The infrastructure related sectors such as power, mining, railways are the key beneficiaries of the initiative. The government has unveiled plans to invest around ₹ 8,500 billion in its rail network over the next five years, with an approximately ₹ 1,000 billion in rolling stock.

Your Company has embraced this initiative whole-heartedly. We have developed a strategy and action plan to address most of such core sector initiatives.

As you are aware, your Company has been supplying locomotive/railway products globally, including the US, Europe and Russia. We are immensely proud to be the first Indian supplier of machined locomotive crankshafts to the Indian Railways. We are working towards increasing our component and product offering to Indian Railways to create new growth avenues for the Company and also contribute to India's infrastructure development.

Looking ahead

As I write this letter, the global as well as the Indian economy continues to be an increasingly volatile mixed bag of opportunities and challenges. A sub-par monsoon could impede the pace of economic recovery in India while uncertainty regarding the Greece situation and the US Fed rate hike could pose challenges to the global economic recovery.

These are variables we as an enterprise have to take in our stride and still strive to perform. It is because of these uncontrollable external variables that your company constantly focuses on diversifying its business and enhances its capabilities using technology and innovation. Your Company in the past few years has been able to deal with external factors due to strengthening of the balance sheet and extended our reach by venturing in to newer sectors.

I am proud to be leading your Company as we enter into the 50th year of operations, truly a momentous landmark for us. It has been a wonderful journey so far and I truly believe that the best is yet to come. I am quite confident that your Company will work relentlessly in delivering on our promises and the ambitious goals we have set.

I thank our valued customers, shareholders, stakeholders, suppliers, Government agencies and above all our employees for their valuable contribution in making Bharat Forge what it is today and I look forward to their continued support going forward.

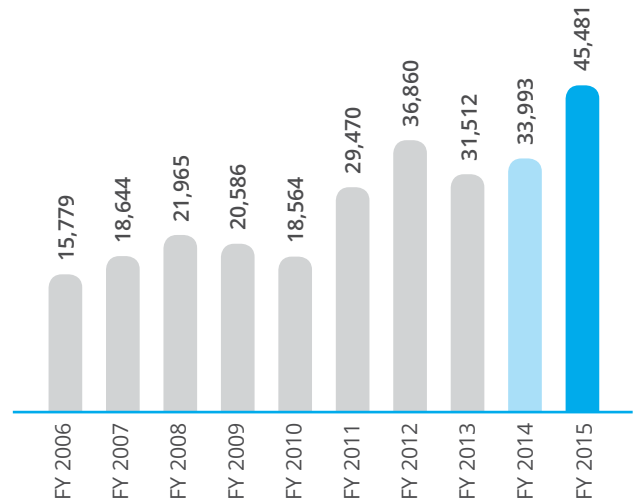


Baba N. Kalyani
Chairman and Managing Director

Financial Performance

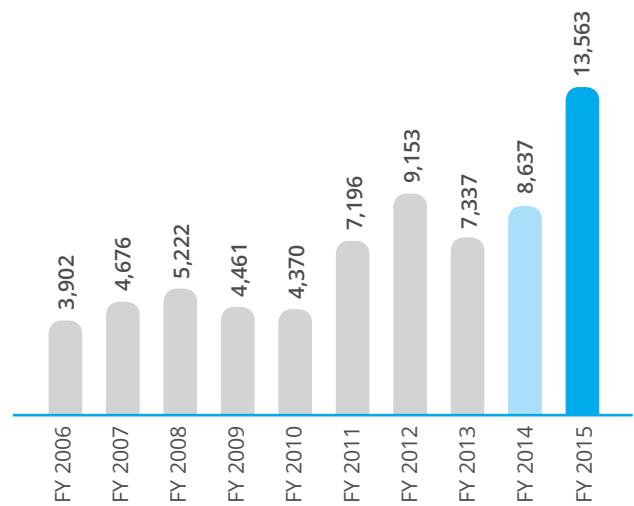
TOTAL REVENUE

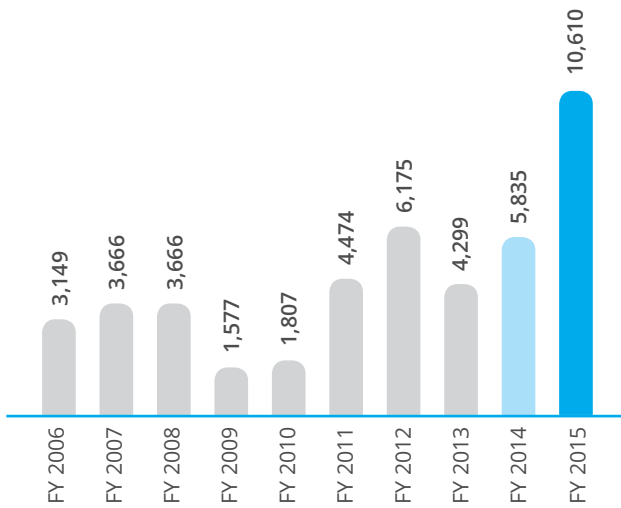
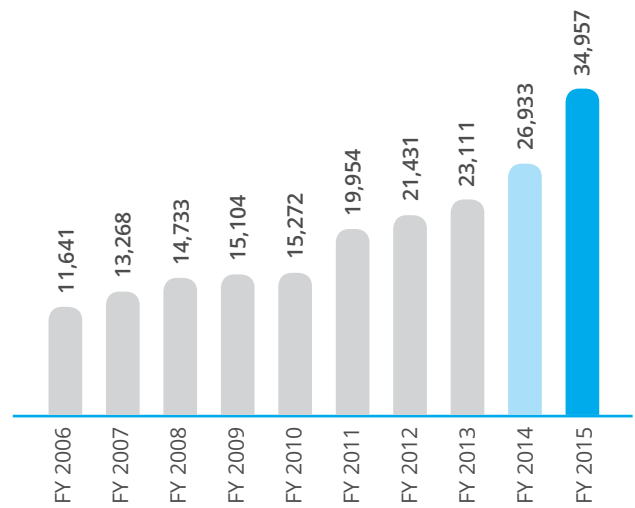
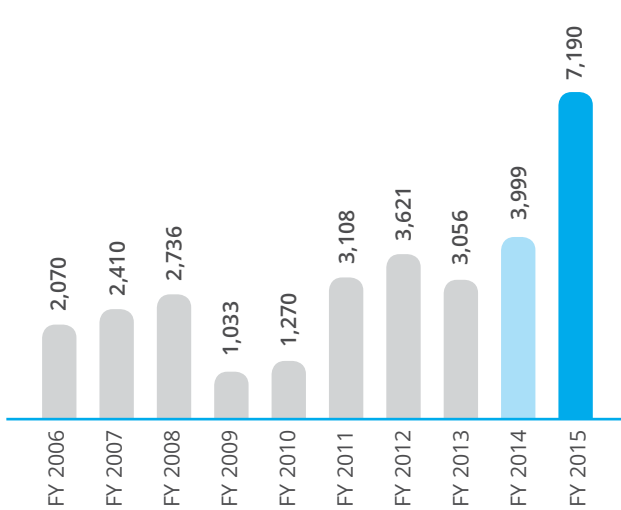
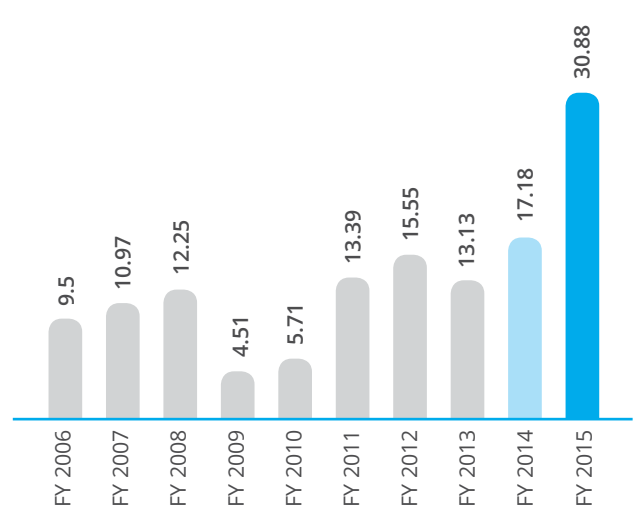
in ₹ Million



EBITDA

in ₹ Million



PBT (before exceptional items) in ₹ Million**NET WORTH** in ₹ Million**PAT** in ₹ Million**EPS** ₹

Opportunity through Technology and Innovation



● Kalyani Centre for Technology and Innovation, Pune India

“Technology provides no benefits of its own; it is the application of technology to business opportunities that produces ROI.” - Robert McDowell

ONE OF THE MOST NOTABLE TRAITS THAT DEFINE A SUCCESSFUL COMPANY OVER THE LONG TERM IS ITS ABILITY TO IDENTIFY TECHNOLOGICAL TRENDS FROM AN EARLY STAGE AND TO EXPLOIT THOSE OPPORTUNITIES FOR ITS GROWTH.

The successful development of new technology lies in not only assimilating it but also deploying it on the shop floor in an optimum manner, to maximize its potential and benefits.

KCTI (Kalyani Centre for Technology and Innovation) has been conceived with this very objective and strategy. These objectives resonate with the Company's core focus on innovation. KCTI's role is to develop and implement innovation and technology strategies to create new and differentiated products.



New product development has been a foundation of our growth over the last decade. This strategy has been instrumental in entering new segments and sectors. Our core philosophy has been to focus on innovation – the Company's strong R&D team helps expedite the process of product development thus enhancing speed to market of differentiated value added products that are 'first time right'.



Opportunity through Talent Creation



● Convocation ceremony of B.S. (Manufacturing Engineering) programme

“In the end, all business operations can be reduced to three words: people, product and profits. Unless you’ve got a good team, you can’t do much with the other two.” - Lee Iacocca

HUMAN RESOURCES ARE THE BACKBONE OF A COMPANY'S SUCCESS AS THEY PLAY A MAJOR PART IN DEVELOPING AND EXECUTING STRATEGY. THE TALENT POOL AT BHARAT FORGE HAS BEEN A KEY DRIVER OF ITS SUCCESS OVER THE PAST FEW DECADES AND CONTINUES TO PLAY A PROMINENT ROLE IN ACHIEVING ITS VISION.

To boost its employees' skills, the Company has made a conscious effort to develop their technical knowledge through periodic in-house training sessions. It has also initiated collaborative educational programmes with a large number of universities from across the world.

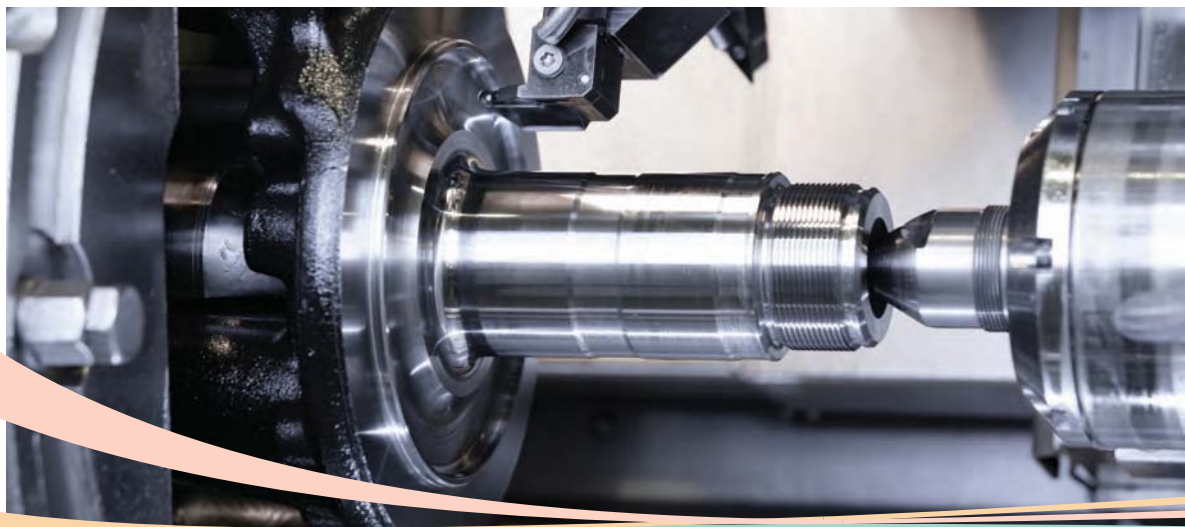
This has helped create a strong sense of commitment for the workforce, acting as a fillip to work together towards a common goal, that being the success and the progress of the Company and garnering better opportunities.



A continued focus on training and development has allowed us to improve the skills of our employees. We have taken steps to implement new development programmes across our facilities to impart engineering and technical knowledge to enhance our employees' productivity. In addition, our leadership development programmes ensure that we have a robust talent pipeline in place, to help achieve our strategic goals and vision of the future.



Management Discussion and Analysis



1. Global and Indian Economic Overview

The world economy grew at a lacklustre 3.4% in 2014, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014.

The International Monetary Fund (IMF) forecasts world economy to expand at 3.5% in 2015 and 3.8% in 2016, terming global growth prospects as moderate and uneven in its latest April 2015 World Economic Outlook (WEO). The growth in advanced economies is projected to strengthen to 2.4% in 2015 relative to 1.8% in 2014, but in emerging market and developing economies it is expected to be weaker. For emerging and developing economies (with the important exception of India), the IMF has projected a weaker pace of growth from 4.6% in 2014 to 4.3% in 2015.

However, headwinds such as the financial market volatility in response to the expected US Federal Reserve's interest rate hike; likely Greek contagion; geopolitical affairs resulting in a spike in oil prices and a persistent slowdown in international trade environment persist.

The Indian economy grew the fastest since 2011 at 7.3% in FY 2014-15 which was in line with the advance estimates and marginally higher than the 6.9% recorded in the previous fiscal. But the main number to accentuate was that the economy expanded by 7.5% in Q4 FY2014-15 which was better than the growth recorded by China.

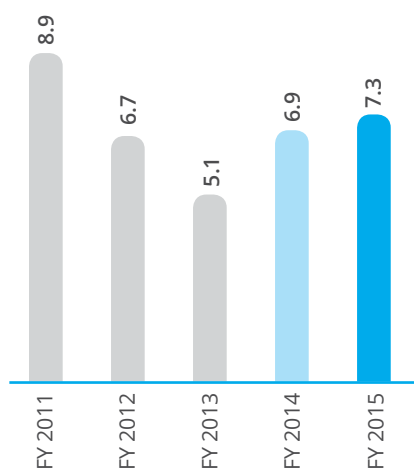
With the GDP numbers indicating a soft, gradual recovery and the pickup in manufacturing activities (7.1% in FY 2014-15 as compared to 5.3% in FY2013-14), India is expected to gather pace and overtake China to be the fastest-growing large economy in the current fiscal, caveat being the incremental growth supported by the

THE INDIAN ECONOMY GREW THE FASTEST SINCE 2011 AT 7.3% IN FY 2014-15 WHICH WAS MARGINALLY HIGHER THAN THE 6.9% RECORDED IN THE PREVIOUS FISCAL.

agriculture sector on the back of a deficient monsoon and unseasonal rains.

Strong macro-economic factors such as India's growing GDP (higher disposable income), lower inflation leading to a likely rate cut cycle by the RBI (affordable financing), a falling fiscal/current account deficit and the government's initiatives in revving up domestic demand (making India a global manufacturing hub, increasing project clearances and passage of key bills for infrastructure boost) provides an impetus for the growth of the economy and hence translates into an improved macro picture for India in the coming years.

INDIA GDP GROWTH %



2. Global Automobile Industry

The world's vehicle production increased in CY2014 as compared to CY2013 but the numbers varied over the different segments and geographies.

In the European region, the total auto numbers are still below the pre-crisis level and a clear recovery is still not visible. Passenger

car and LCV sales increased mainly due to the growth posted by some of the EU member states like Germany, Spain and UK. M&HCV vehicles showed a significant decrease as compared to the previous year on account of the exceptional buying that had occurred in the previous year due to the anticipated implementation of the Euro VI standards and a prevailing sluggish economic development.

The Asian region showed positive volumes and they now account for around 50% of the global figures. But the major growth was contributed by the passenger cars while CVs showed a marginal decline. China had better volumes as compared to the previous year and remains the strongest player in this region.

North America (NAFTA) continued to perform strongly in 2014 mainly on account of a strong growth in the passenger car and the commercial vehicle market. Production in the region was the highest since the financial crisis in 2008 and in all three markets of the region, USA, Canada and Mexico, the trends are positive.

In Central and South America, after a few years of steady increases, 2014 saw a marked decline, with a decline in production mainly on reduced demand and tightening of the major financial markets in Argentina and Brazil.

Production Trends (Heavy Commercial Vehicles)





Units	CY2009	CY2010	CY2011	CY2012	CY2013	CY2014
US Trucks	118,000	154,000	255,000	278,720	249,412	297,120
Europe Trucks	162,504	178,969	243,086	220,289	238,697	225,292

Source: ACT Research, European Automobile Manufacturer's Association (ACEA)

3. India's Automobile Industry

Automobile sector volumes grew for the first time in three years in FY 2014-15. Total automotive production increased by 3.4% compared to FY 2013-14, and this moderately higher growth is attributed largely to the hopes of an economic revival after a new government took charge in the country and a renewed business scenario. The continuation of the excise duty benefit till December 2014, correction in fuel prices and an increase in replacement demand with easing financing cost has contributed to increased demand.

Indian Automobile Production Trends

				% Change
LCV		428,530	477,523	(10.3)
M&HCV		268,553	221,699	21.1
Passenger Cars		2,590,182	2,519,225	2.8
Utility Vehicles		628,701	567,182	10.8
Total		3,915,966	3,785,629	3.4

Source: Society of Indian Automobile Manufacturers (SIAM)

 FY 2014-15 FY 2013-14

SALES OF PASSENGER VEHICLES GREW BY 2.8% MAINLY ON ACCOUNT OF CONSUMERS TAKING ADVANTAGE OF THE REDUCED EXCISE DUTIES WHICH WERE CONTINUED TILL DECEMBER 2014.

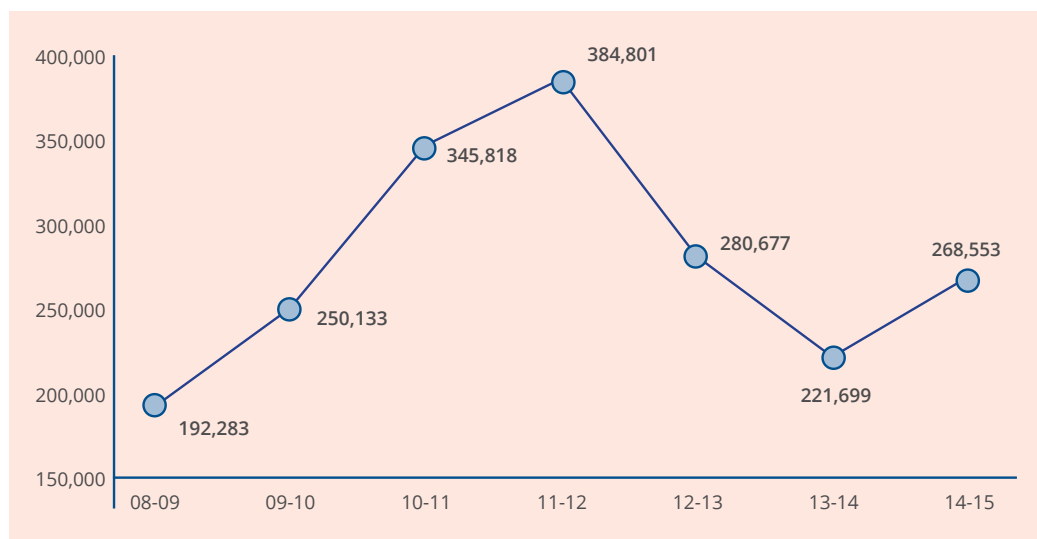
Sales of Passenger Cars grew by 2.8% during FY 2014-15 compared to last year mainly on account of consumers taking advantage of the reduced excise duties which were continued till December 2014. Also the fall in global crude prices which resulted in lower fuel prices in the country provided some positive consumer sentiment and an additional impetus for new buying of vehicles.

The Light Commercial Vehicles (LCV) registered a negative growth of -10.3% in FY 2014-15 compared to FY 2013-14. This de-growth in LCV is attributed to the significant capacity addition that took place over the past few years and a restrained financing environment.

The M&HCV industry, after two years of demand contraction witnessed a gradual recovery during FY 2014-15, the M&HCV industry growing by 21.1% as compared to the previous year. The growth is mainly attributed to the sharp uptrend in replacement demand aided by the lower diesel price and relatively firm freight rates. The freight rates and fleet operators' utilisation, the lead indicators of Commercial Vehicle (CV) industry turned positive at the end of the year. The optimism of an expected renewal in industrial and mining activities was another reason for the uptick in demand.

As shown below, the M&HCV volumes have bounced back from a 5-year low of 221,699 units in FY 2013-14 to 268,553 units in FY 2014-15, a growth of more than 21%.

Production Trends (Indian Medium & Heavy Commercial Vehicles)



Source: Society of Indian Automobile Manufacturers (SIAM)

4. Company Review

Bharat Forge Limited (BFL) is the flagship Company of the Kalyani Group and is amongst the largest forging companies globally. The Company is India's leading exporter of value added safety and critical powertrain and chassis components for automotive and industrial applications.

The state of the art manufacturing facilities are spread across India (four facilities), Germany (four facilities), Sweden and France. The Company manufactures an extensive array of value added critical and safety components for several sectors including Commercial and Passenger Vehicles, oil & gas, Aerospace rail and marine, energy (across renewable and non-renewable sources), construction, mining and general engineering.

4.1 Domestic Market

Bharat Forge's business in the domestic market spans the full spectrum of the automotive industry (excluding two-wheelers) diesel engines, construction & mining, power, oil & gas, tractors and the general engineering space like sugar, cement and steel, among others.

4.1.1 Automotive

FY 2010-11 to FY 2013-14 was a challenging period for the M&HCV segment, with volumes declining from the peaks of 384,801 units in FY 2011-12 to 221,699 units in FY 2013-14 due to several macroeconomic headwinds such as decline in GDP from 8.9% in FY 2010-11 to around 6.9% in FY 2013-14, halt in mining activities in Karnataka and Goa, sharp reduction in infrastructure capex, increase in interest rates and fuel price among many other factors.

In FY 2014-15, the industry trend of the past three years reversed with volumes increasing 21% to 268,553 units. This increase in demand was a result of culmination of various factors such as decreasing fuel prices, decline in Interest rates, lower excise duty, and resumption of mining activity in Karnataka and initial signs of recovery in the Indian economy.

Around 43% of BFL's domestic revenues are contributed by the commercial vehicles. Though the CV market volumes grew by 21%, the revenues of BFL from this space grew by 25% mainly on account of the growing customers and increased penetration in the existing customers.

The passenger Vehicle segment also witnessed positive demand in FY 2014-15 after almost two years of sluggishness. The return of the first time buyer and a positive sentiment in the urban markets resulted in the passenger vehicle volumes increasing by 4%. Revenues for the Company from the passenger vehicle segment grew by 5.3% compared to FY 2013-14.

4.1.2 Industrial Business

Unlike the Commercial vehicle sector which witnessed positive demand growth in FY 2014-15, the same was not visible in the Industrial sector. Lack of new order inflows, decline in infrastructure-related capex, sluggish IIP (Index of Industrial Production) numbers through FY 2014-15 impacted the sector across all major segments. BFL’s presence across many sectors and its relationship with key marquee OEMs enabled domestic industrial revenues to grow despite a challenging demand environment.

Domestic sales break-up

Commercial Vehicles	43%	40%
Passenger Vehicles	14%	16%
Industrial	43%	44%

■ FY 2014-15 FY 2013-14 ■

Looking Ahead

The recent steps taken by the Government to revive the capex cycle in India by way of allocation of coal blocks, resumption of Iron ore mining, focus on public sector investment in the Road and Railways sector augurs well for the Commercial Vehicle sector and also for the resurgence of the capital goods sectors.

These measures coupled with the Government’s ‘Make in India’ programme, aimed at creating a vibrant manufacturing sector and an import substitution market opens up a potentially huge opportunity for technology-focused manufacturing companies.

As a part of the ‘Make in India’ programme, focused efforts and activities have been undertaken to address the programmes of the Government in the Rail, Power, Defense and Aerospace sectors. The Company’s focus on technology, innovation along with a strong R&D approach should assist in positioning it at the forefront to address these new opportunities.

4.2 Export market

4.2.1 Automotive

In CY2014, the US auto industry supported by robust economic growth showed a strong performance and recorded the highest sales since the financial crisis. The Class 8 truck production volumes grew by around 20% while the Passenger Vehicle segment also witnessed growth.

In the November 2014 to February 2015 period, a sharp uptick in Class 8 trucks net orders was witnessed, causing a jump in production backlog from normal levels of 100,000 units to around 190,000 units. The OEMs did not react by adding shifts or production capacity with an objective of extending the longevity of the cycle.

In Europe, the M&HCV volumes are still substantially below the previous peaks with the volumes declining by nearly 6% in CY2014 as compared to CY2013. The introduction of Euro VI emission norms had a dampening impact on demand due to price increase and technology related absorption issues. However, these factors have stabilised towards the end of CY2014.

European car sales in 2014 rose for the first time in seven years, but the sales gains were primarily driven by discounting, state-backed incentives, fleet sales and change in consumer spending pattern rather than a genuine recovery of consumer confidence as consumers needed to replace their cars regardless of economic conditions. The overall CV market also showed marginal growth because the strong growth in the LCV’s was negated by a 7% decrease in M&HCV volumes.

The auto sector contributes around 50% of the total exports of BFL. The revenues from the auto segment in the export markets in FY 2014-15 grew as compared to FY 2013-14 mainly on account of new customer addition and a ramp up in the passenger vehicles orders.

Looking Ahead

In the coming year, growth in the auto industry is expected to be led by the NAFTA region, strong orders, long backlogs, better freight volumes, a healthy economic outlook, an old plying fleet, rising profitability of fleet operators and the sharp plunge in crude prices can be the contributing factors for a sustainable year forward, if not better.

Looking ahead, the expected continuation of Eurozone economic recovery bodes well for the automotive industry. We expect the Heavy Truck segment volumes to grow by 2-5% over the next two years.

We expect to continue to grow our export business on the automotive side by focusing on new product development, working on providing solution such as light weighting, fatigue enhancement, increasing our market share with existing customers while simultaneously working on adding new customers and markets.

4.2.2 Non-Automotive business

The Company's presence in the international industrial segment extends across three verticals namely Energy (Oil & Gas, Power across sources), Transportation (Aerospace, locomotive & Marine) and Materials (Construction and Mining).

CY2014 was a difficult year for the Oil & Gas sector with crude oil prices rapidly declining from peak levels of US\$ 120 per barrel to as low as US\$ 55 per barrel in the span of few months. The sector participants believe the new normal for crude oil to be in the range of US\$ 65 per barrel to US\$ 80 per barrel and we are confident that the industry will adapt to these levels.

The Company made tremendous progress in its journey of further developing the industrial business. In the aerospace sector,

BFL has achieved all the requisite approvals. The Company has entered into relationship with four global OEMs to develop a portfolio of products over the next few years.

Export sales Break-up

Commercial Vehicles	47%	59%
Passenger Vehicles	4%	2%
Industrial	49%	39%

■ FY 2014-15 FY 2013-14 ■

Acquisition of Oil & Gas Machining Company in France

The Company, through its German subsidiary, CDP Bharat Forge GmbH, acquired 100% equity shares of Mécanique Générale Langroise (MGL) for EUR 11.8 Million. MGL, based in Saint Goesmes, France, is focused on precision machining and other high value added processes. MGL primarily caters to global Oil & Gas industry and supplies turnkey components for drilling application.

The acquisition further consolidates BFL position in the Oil & Gas space by enhancing service offerings and geographical reach.

Indian Subsidiaries

Alstom Bharat Forge Power Limited (ABFPL)

As per the proposed scheme of amalgamation, Kalyani ALSTOM Power Limited (a Joint Venture of the Company) has been amalgamated in to ALSTOM Bharat Forge Power Limited (another Joint Venture of the Company) was approved by the Hon'ble High Court of Delhi at New Delhi vide order dated August 07, 2014.

Due to delay in obtaining environmental clearance at Adani Ports and Special Economic Zones (APSEZ), the Joint Venture Company shifted its proposed manufacturing facility from APSEZ to Sanand, Gujarat. The facility commenced operations on May 26, 2015.

During the year, the Joint Venture Company won ₹ 1,136 crores order for supplying Steam turbine island from NTPC 2 x 660 MW Tanda Power plant in Uttar Pradesh.

LOOKING AHEAD, THE EXPECTED CONTINUATION OF EUROZONE ECONOMIC RECOVERY BODES WELL FOR THE AUTOMOTIVE INDUSTRY. WE EXPECT THE HEAVY TRUCK SEGMENT VOLUMES TO GROW BY 2-5% OVER THE NEXT TWO YEARS.

5. Financial Review

5.1 Standalone

(in ₹ Million)

Particulars	FY15	FY14	% Change
Shipment Tonnage	211,668	174,808	21.1%
Domestic sales	16,899.9	14,571.6	16.0%
Export Sales	27,206.7	18,482.1	47.2%
Other Operating Income	1,373.9	939.0	
Total Revenue	45,480.5	33,992.7	33.8%
Raw Material	17,399.0	13,738.0	26.6%
Manufacturing Expenses	7,714.3	6,125.1	26.0%
Manpower cost	3,319.0	2,788.5	19.0%
Other Expenditure	3,485.5	2,704.4	28.9%
Total Expenditure	31,917.8	25,356.0	25.9%
EBITDA	13,562.7	8,636.7	57.0%
EBITDA %	29.8%	25.4%	
Depreciation	2,505.1	2,453.1	2.1%
Interest	1,118.4	1,495.7	-25.2%
Other Income	933.2	1,036.4	-10.0%
PBT	10,872.4	5,724.3	89.9%
Exchange Gain/(Loss)	(262.9)	110.6	
PBT	10,609.5	5,834.9	81.8%
Exceptional Item	(36.3)	123.5	
PBT	10,573.2	5,958.4	77.5%
Taxation	3,383.4	1,959.1	
PAT	7,189.8	3,999.3	79.8%

Total income

FY 2014-15 witnessed a rise in total revenues by 33.8% from ₹ 33,993 Million in FY 2013-14 to ₹ 45,481 Million in FY 2014-15. Topline growth was driven by 47.2% growth in exports on back of robust Class 8 truck demand in North America and strong traction from the Oil & gas sector. Domestic revenues grew by 16.0% primarily assisted by recovery in Indian MHCV volumes. Other operating income increased from ₹ 939 Million in FY 2013-14 to ₹ 1,374 Million in FY 2014-15.

Expenditure

Raw Material as percentage of total income decreased from 40.4% in FY 2013-14 to 38.3% in FY 2014-15 on account of favorable product mix.

Manufacturing cost as % of total income decreased from 18.0% to 17.0% benefiting from reduction in Crude oil prices.

Manpower costs have also reduced, from 8.2% in FY 2013-14 to 7.3% in FY 2014-15 while other expenditure also decreased from 8.0% in FY 2013-14 to 7.7% in FY 2014-15.

EBITDA percentage showed a healthy improvement of 440 bps rising from 25.4% to 29.8%, a result of improved capacity utilisation, favorable product mix and cost efficiency.

Depreciation cost as a percentage of total revenue declined from 7.2% in FY 2013-14 to 5.5% in FY 2014-15. This reduction is a factor of our resolve to focus on sweating our existing assets and asset light approach to capital investment and new business development. Also, during the year, the Company has revised its depreciation policy and rates on certain fixed assets as per the useful life specified in Schedule II of the Companies Act, 2013.

During the year, the Company repaid around ₹ 5,300 Million of debt including ₹ 4,070 Million high cost rupee debt resulting in Interest cost as % of sales dipping sharply from 4.4% in FY 2013-14 to 2.5% in FY 2014-15.

Particulars	(₹ Million)	
	FY15	FY14
Debt	17,974	19,943
Equity	34,957	26,933
Cash	10,468	10,222
D/E	0.51	0.74
D/E (Net)	0.21	0.36
ROCE	22.7%	16.0%
RONW	20.7%	16.1%

The combination of improved capacity utilisation, focusing on assets light model and net debt free company has improved the balance sheet ratios across the board.

As visible from the table, Debt/Equity on a gross and net basis has reduced from 0.74 in FY 2013-14 to 0.51 in FY 2014-15 and 0.36 in FY 2013-14 to 0.21 in FY 2014-15, respectively.

Return ratios (ROCE & RONW) have improved on back of effective capital management and improved profitability. ROCE has increased from 16.0% in FY 2013-14 to 22.7% in FY 2014-15 while RONW has increased from 16.1% in FY 2013-14 to 20.7% in FY 2014-15.

440 bps

EXPANSION IN EBITDA MARGINS



5.2 Consolidated

(in ₹ Million)

Particulars	FY15	FY14	% Change
Within India	22,802.5	22,521.7	1.2%
Outside India	52,044.0	43,697.7	19.1%
Other Operating Income	1,401.0	939.0	49.2%
Total Revenue	76,247.5	67,158.4	13.5%
Raw Material	28,836.8	24,609.0	17.2%
Manufacturing Expenses	12,706.1	11,183.4	13.6%
Manpower cost	9,051.1	7,887.7	14.7%
Other Expenditure	5,928.4	5,548.0	6.9%
Project cost	4,974.6	7,628.8	
Total Expenditure	61,497.0	56,856.9	8.2%
EBITDA	14,750.5	10,301.5	43.2%
EBITDA %	19.3%	15.3%	
Depreciation	3,624.2	3,571.5	1.5%
Interest	1,356.0	1,691.5	-19.8%
Other Income	1,336.6	1,082.6	23.5%
PBT	11,106.9	6,121.1	81.5%
Exchange Gain/(Loss)	(311.6)	164.2	
PBT	10,795.30	6,285.30	71.8%
Exceptional Item	427.5	1,037.1	
PBT	11,222.8	7,322.4	53.3%
Taxation	3,586.9	2,100.2	
PAT	7,635.9	5,222.2	46.2%
Share of profit in associate	-	-	
Minority Interest	(29.8)	(28.5)	
Net Profit	7,665.7	5,250.7	46.0%
Loss from Disc ops	(40.4)	(265.4)	
Net Profit	7,625.3	4,985.3	53.0%

Consolidated revenues increased 13.5% from ₹ 67,158 Million to ₹ 76,248 Million driven by growth in standalone operations and revenue generation from the Alstom JV executing the NTPC order.

EBITDA of ₹ 14,751 Million in FY 2014-15 witnessed a 43.2% increase compared to FY 2013-14, a combination of improvement in the standalone operations profitability at the EBITDA level and EBITDA level profit of the Indian Subsidiaries in FY 2014-15 as against a loss at the EBITDA level in FY 2013-14.

(₹ Million)

Particulars	FY15	FY14
Debt	25,464	25,613
Equity	34,442	26,832
Cash	11,386	11,949
D/E	0.74	0.95
D/E (Net)	0.41	0.51

6. Innovation and Intellectual Property Rights (IPR)

BFL strongly believes that the next round of growth will be propelled by creating opportunities through innovation.

Innovation is at the heart of everything BFL does. Our in-house R&D team has been committed to work on various projects including developing technologies to minimise carbon footprint and manufacture light weight products that result in lower energy consumption. Innovation is a continuous on-going process in the Company which has helped us explore new ideas and deliver solutions for transformation consistently. Innovation for new products is being carried out by the Company not only for products in the automotive space, but in the non-automotive space as well.

Bharat Forge has endeavoured to develop fossil free technologies that aim at providing greener technologies that its automotive clientele can capitalise on.

Innovative application of latest technologies has helped the Company develop critical and high value added products for the non-automotive sector. Today, BFL is an indigenous supply source for some of these products which were largely imported earlier.

With innovation at its heart, BFL continues its endeavour of venturing through diversification and manufacturing of high quality products that drive change and sustainability.

Patents

A total of 7 patent applications were filed in FY 2014-15 bringing the number of patents filed till date to 13. BFL has been already granted 2 while the remaining have been submitted and awaiting examination. These patents have largely been for process and product improvements. In the coming year as well, BFL has a healthy pipeline of patents on which work is being carried out.

Design improvements

BFL is involved with its clients throughout the process - right from the initial stages of product development to the time of product delivery.

Light Weighting Programmes

Reducing weight of the product without compromising on the functional performance is key need to reducing fuel consumption and improving emission levels. BFL continues to work with various customers to develop various innovative light weighting design concepts. BFL's expertise in sophisticated simulation techniques, 3D printing helps in such development efforts.

Knowledge Exchange

Various employee exchange programmes are organised by the Company's subsidiaries in order to facilitate pan-organisational knowledge transfer and best practices exchange. The experiences regarding various challenges faced during the year and the manner in which they were overcome, are shared.

7. Human Resources Management

Training Programmes

In order to enhance engineering knowledge in employees, BFL set a three-month, full-time Engineering Development Programme at Chakan, during the year. The programme is based on the objectives of training non-technical manpower, the basics of Modern Engineering Terms, engineering drawing reading and new 2D and 3D CAD techniques. Till date, three batches comprising a cumulative 91 employees have undergone the training. In time, all 300 employees will be given the training. Employees who successfully complete the programme will be transferred to new project activities.

In order to enhance the technical skills of engineers, a three-month, full-time Technical Development Programme was initiated in February 2015 across Chakan, Baramati and Pune facilities. The objective of the programme is to impart holistic technical knowledge to engineers in two main functional areas -

A TOTAL OF 7 PATENT APPLICATIONS WERE FILED IN FY 2014-15 BRINGING THE NUMBER OF PATENTS FILED TILL DATE TO 13.

THE COMPANY HAD
A TOTAL OF 4,709
PERMANENT EMPLOYEES
AS OF 31ST MARCH 2015

process engineering and product engineering – that would enable them to become fully-groomed technical process owners.

Various training programmes were also carried out to nurture human capital and in strengthening communication. Various Programmes including ‘development of positive attitude towards working’, ‘personal effectiveness’, ‘managerial development’, ‘creativity at work and home’ and so on, are held in this regard.

HR facilitator initiative

In order to enhance HR development activities, the HR Facilitators initiative has been enriched as the Talent Management Initiative. As a result, department Talent Managers are equipped to support talent acquisition and development activities in a holistic manner. The initiative, which has now reached maturity, has been streamlined across departments and aids in talent and competency mapping activities.

Industrial Relations

Industrial Relations were very cordial at all locations. A long-term settlement was signed with recognised unions at the Mundhwa, Satara, Chakan and Baramati locations. The Mundhwa and Satara Wage Agreement was signed for a period of three years, while those at Baramati and Chakan were signed for a period of four years.

Policy for female employees

There is a stringent policy in place, to address issues pertaining to female employees at BFL. With an aim to provide a safe environment to female employees and ensure redressal of their concerns regarding their safety and dignity at workplace, various quarterly meetings for all female employees are held.

8. Safety

Hazard Identification and Risk Assessment (HIRA)

A proactive measure to reduce accidents, incidents and near misses. In HIRA, Potential Hazards assessment is carried out in the routine and non-routine activities. Hazards are identified in advance and necessary control measures are implemented to

reduce the risk from the hazard of injuries, ill health and damage to the environment. We carry out Hazard Identification and Risk Assessment as per the ‘Croner’s’ method recommended by the British Safety Council, UK.

HIRA was carried out by the group comprising of Line Managers, Shift In-charges, Maintenance managers, Safety Co-ordinators and Operators. HIRA is reviewed whenever there is any change in process, equipment, etc. Based on the HIRA findings, all concerned people have been trained. This is one of the reference document for setting our departmental objectives and safe operating procedures.

On the Job Training (OJT)

After completion of Safety Induction and STEP programme the respective Line Managers/Shift In-Charges conduct OJT and maintain record.

Safety Trainings

Training Need Analysis/Skill Matrix is prepared to identify the skill and competency levels of the employees and based on that Training Calendar is prepared for the year and training is imparted as per the plan. In 2015, 26 topics were covered which are relevant to our operations. We have also developed Modules for training our employees and we conducted batches at KCTI for Line Managers.

Tool Box Talk (TBT)

TBT is carried out on weekly basis in each section by Shift In-charges and Operators on the topics which are relevant to their area of operations. Compliance to TBT is included in the departmental HSE objectives and respective HODs send the reports on monthly basis to safety department.

Emergency Preparedness Drills

We conduct drills in all the shifts once in a month for different scenarios including Fire and Explosion, LPG Leak, Food Poisoning, Release of acetylene gas from cylinders, Electrical Short Circuit and Fire, Blackout Drill & Natural Calamities

Shop Round

Annual plan for Shop Round is prepared and they are carried out according to the plan by Safety Department. Shop round observations are communicated to respective department HODs for Corrective and Preventive Actions (CAPA). The CAPA is monitored as soon as the Safety Department receives the compliance report and the same is discussed in the monthly Departmental Safety Committee Meetings.

Safety Audit

We carry out External Safety Audit once in two years as per the statute and Internal Safety Audit once in a year through our trained Auditors. The findings are discussed in monthly Departmental Safety Committee Meetings for CAPA. External Audit was carried out in April/May 2015. Specific Audits are also carried out which are in addition to Comprehensive Internal Safety Audit.

Statutory Inspections

We also carry out Statutory Inspections and Examination of Lifting Tackles, Lifting Machines, Hoist & Lifts, Pressure Plants and LPG Installations through Competent Person. Inspection of Shot Blasting chambers are carried out by our maintenance team.

Saturday Safety Session

Every Saturday we conduct meeting with all Contractors Supervisors in which the following Health and Safety Issues are discussed:

1. Lesson learnt from Accident and Incidents.
2. Safe Operating Procedures.
3. Work Permit Systems.
4. Importance of Good Housekeeping.

5. Tool Box Talk conducted by the Contractors Supervisors / Workmen.
6. Importance of PPE.
7. Near Miss Reporting.
8. Competency requirement to perform the assigned Contract Work.

The participation from the supervisors is very encouraging and these meetings are very effective in terms of communication with contract employees.

HSE Objectives

Every month the HODs are required to complete 10 Objectives and report compliance to the Safety Department. The Department-wise objectives are discussed in MIS chaired by Chairman & Managing Director. The Target for attaining the HSE Objectives is 90% which is upgraded periodically.

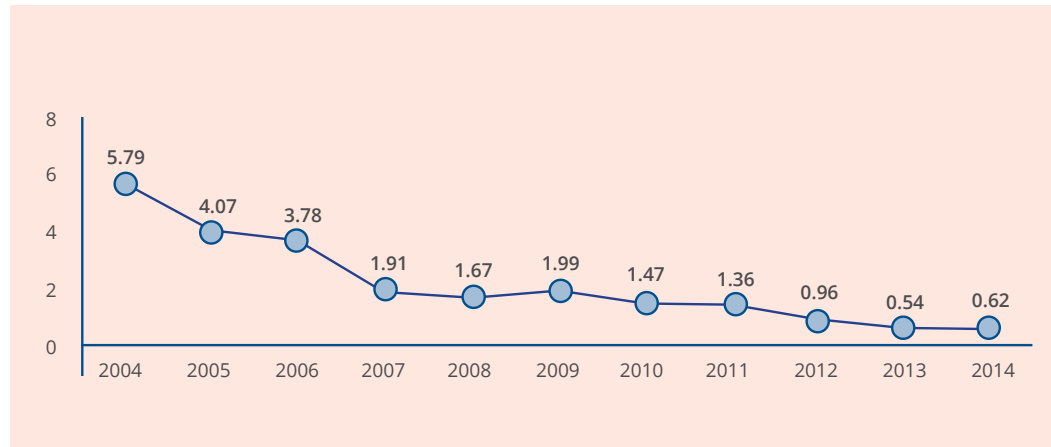
Behavioural Based Safety (BBS) Programme

We have constituted a team of 270 Officers who have been appointed as BBS Observers and they are required to make observations in the area of 'Safe Behaviours' and 'At Risk Behaviours' and report the findings to their respective HODs for any actions or remedial measures required. We had set a target of having 90% safe behaviours and improve it progressively. We believe in Safety and Welfare of our Employees and value them. Since employees are our valuable assets we incorporate advanced techniques like BBS to improve the behavioural aspects of our employees and also enhance their competency by organising innovative training workshops and welfare measures.

Accident Record

As a result of the above activities the accidents are on the downward trend year after year which is evidenced from the graph below.

BFL - Frequency Rate 2004 - 2014



9. Corporate Social Responsibility

Much before it was made mandatory through legislation under Section 135 in the Company Act 2013; Bharat Forge believed in giving back to the society and has implemented a number of projects for the betterment of the stakeholders and the society at large.

Promotion of education, skills development, environmental sustainability, women empowerment, sanitation of schools, development of children in the society and promotion of sports are our core areas of CSR. We involve stakeholders in our journey of social development. Our employees actively participate by imparting their professional inputs, time and energy for various social institutes like old age homes, orphanages, schools, and also for environmental cleanliness and preservation of historical places. We have partnered with NGOs like 'Pratham' for social development projects like informal education for the underprivileged children. With the changing times we have now refocused our objectives and the activities in the areas of community development where focus will be on women empowerment. BFL has developed relations with NGOs, other social organisations, and government bodies to achieve the target that we have set.

BFL's CSR activities is focused on the following areas of social development:

- ▶ Primary, secondary and tertiary education;
- ▶ Skills development and vocational training;
- ▶ Health & hygiene, sustainability, environment and ecological protection;
- ▶ Character building by opportunities in sports and cultural activities.

We believe our initiatives in these areas contribute significantly to the overall welfare of the community and make a difference in their lives.

Objective

Bharat Forge is proud of being a socially responsible corporate. We would like to further scale-up our CSR activities through the initiatives aimed at improving the lives of economically deprived children, women and senior citizens. We propose to empower them to effectively participate in unfolding social and economic opportunities so that they can be an integral part of the mainstream of growth and development.

We would strive to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives which would also be focused around



● Classroom activity under CSR

20,413

UNDERPRIVILEGED
CHILDREN
EDUCATED

communities that reside in the proximity of our company's various manufacturing locations in the country.

Promotion of Education

The Kalyani School – BFL is supporting the Kalyani School with the vision to provide a harmonious, stimulating environment which inspires all to strive for excellence and emerge as responsible citizens.

- ▶ Spread across 9.5 acres of land, the K-12 co-ed, CBSE English Medium School is located in Manjri (Budruk) close to Keshav Nagar. The School provides the children with an atmosphere and ambience that is best suited for their all-round growth and development.
- ▶ By restricting class strength to 30, individual and personalised attention is guaranteed, with a whole school teacher-student ratio of 1:10.
- ▶ Total number of Admissions: 202 and total number of School Staff: 30.

Pratham Pune Education Foundation – BFL has taken great efforts in providing quality education to the underprivileged children of the society through this Foundation, a non-governmental organisation providing informal education to 20,413 children of the society. In association with Jnana Prabodhini,

we have started fast track programme (Pradnya Vikas) and have identified and selected 55 children. Currently they are undergoing training for various skills and creativity sessions.

Mission SOS & Promotion of Education

Adoption of Schools & Mission SOS – As part of its CSR programme, BFL has pledged to support the Prime Minister's Swachh Bharat Abhiyan by adopting government schools in Maharashtra and facilitating construction and maintenance of toilets. BFL has adopted Rajrshi Shahu Maharaj Primary School at Mundhwa, Mahatma Phule High School at Hadapsar, ZP Primary School at Keshavnagar (Bhoivasti) and at Baramati (Vanjarwadi). BFL supports these schools by imparting quality education as well as constructing and ensuring functioning of sanitation for 2,968 children.

Mission Sanitation of Schools: Swachh Vidhyalaya

– Bharat Forge has started a "Clean & Green School" competition at Rajrshi Shahu Maharaj School. The 'Swachh Sundar Shala' (under Swachh Vidhyalaya) is a concept developed to make the children realise the importance of cleanliness and develop habits aimed at maintaining a clean and green premises, environment and

classrooms. We have also formed school sanitation committee for smooth execution and implementation of this concept. We have conducted Cleanliness Awareness sessions for the students, teachers and parents.

Environment sustainability/Waste to resource

BFL has undertaken a 'Swachh Sunder Keshavnagar Abhiyan' in order to maintain cleanliness in and around schools in Keshavnagar. A large-scale rally was organised to promote this. The involvement of local establishment, mobilisation of different groups and resources in the community, beautification of spots, public awareness were the initiatives taken. In addition, six committees were formed consisting of local bodies, teachers, senior citizens and active SHG members. In all, around 3,500 community people were involved. Waste management trainings and awareness sessions were also imparted to 585 people from the community with the association of INORA Organisation.

Water Conservation

Bharat Forge is actively involved in the Jalyukta Shivar Abhiyaan project in coordination with Chief Ministers Office, Maharashtra for Drought Free Maharashtra By 2019 campaign at Kanhersar village of Khed Block and at Kalewadi village in Purandhar block in Pune. We have started water related works like Repairs, Renovation and Restoration (RRR) of percolation tanks/minor irrigation tanks, widening and deepening of nala bunds.

Skills Development & Employability

- ▶ To strengthen the vocational training system in the country and bring it closer to the industry's requirement, BFL have made efforts and have started ITI Khed and also adopted the Bhor and Malegaon ITIs for up-gradation. It is under the Public Private Participation scheme. We have imparted vocational training to 581 students of ITI Khed.
- ▶ Various soft and technical skills trainings are imparted to students and instructors.
- ▶ We will be starting the communication lab at ITI Khed.



● Khelghar

Community Development Programmes

BFL's initiatives under community development covers women empowerment, health and hygiene and cleanliness awareness drives.

For women empowerment, BFL runs three Community Development Centres in Mundhwa, Hadapsar and Vadagon Sheri. The beneficiaries are 480 women. Vocational training and income generating activities for women like providing stitched uniforms and hand gloves for BFL's requirement, art and craft training and in food products. Personality Development Programmes. BFL has formed 11 SHGs and three health clubs in the community centres.

- ▶ Started Khelghar at Mundhwa and Kharadi with an objective to develop creativity and skill enhancement programmes, career-orientated directions and awareness building for 146 community children.
- ▶ Conducted Sanskar Varg for 40 children from deprived communities to develop good habits, learning capacities and overall development of their personality.
- ▶ Conducted health checkup (dental, BP, ENT, overall health) camps, awareness and follow-up sessions for 5,095 women, children and senior citizens.

Sponsorship for Sports & Education

- ▶ Bharat Forge supports LAKSHYA, a non-profit Sports Organisation which, since its inception in 2010, works towards identifying and nurturing budding talent in sports. The sponsorship has helped six players (four in tennis, one boxer, one chess) to train overseas, and take part in events within the country and overseas.
- ▶ BFL is supporting and also mentoring five girls of Vidhyarthi Sahayak Samittee, Pune and two students from CII's FAEA. These girls belongs to poor and rural backgrounds.



Bharat Forge won prestigious awards at the World CSR Congress including:

▶ 50
Most Caring Companies of India

▶ 50
Most Talented CSR Leaders, awarded to Leena Deshpande, Associate Vice President, HR & Head CSR



- ▶ Bharat Forge supports 108 Nanhi Kali's from the K. C. Mahindra Education Trust to provide access to quality education and material support.

Departmental CSR Initiatives

A unique inter-departmental initiative started at Bharat Forge with the aim of giving back to the society wherein efforts were taken across departments to serve the needy. In a structured way, every department of BFL has taken up a specified activity across **education, enhancing vocational skills, health and hygiene, empowerment of women and environmental sustainability**. Thus, CSR activities have become integral to the work profile of our employees. Some of these activities focus on cleaning forts, taking care of Senior citizens and underprivileged children, environment, involvement in blood donation camps, women empowerment. Each department in the Company has adopted an institution around Pune and visit the institutions regularly.

10. Outlook

Outlook on the economy

The pro-growth economic reforms directed towards ease of doing business and enhanced transparency emphasises the intention in unlocking economic potential. The IMF forecasts India GDP to grow at 7.5% in FY 2015-16.

The policy initiatives to address structural bottlenecks, focus on reducing inflation, improved fiscal and current deficit numbers and policy decision taken by government such as reallocation of coal mines and FDI in insurance and defence has lent a robust outlook for the Indian economy.

Investing in R&D and Innovation

The Company has always stressed on the importance of R&D for future growth. The

Company is adding to its capabilities in KCTI which will help it to work on new materials and new additive manufacturing processes.

The Company is preparing to keep itself ahead of the curve with respect to the new technologies that are coming up and at the same time develop new products and processes for the customers in both the auto and the industrial space.

11. Risk Management

BFL's risk management policies are formulated in such a way that the Company can respond swiftly to the risks and implement necessary mitigation activities. A prudent risk management framework has been developed, such that cautious approach is undertaken to identify and analyse internal and external risks and minimise its impact on operations.

1 Geographic Risk/ Industry Risk

Nature of risk

BFL earns around 60% of its revenues from the export markets and more than 50% from the auto sector

Risk Mitigation strategies

The Company is constantly developing new products, entering new segments and adding new customers. The company is also enhancing its product portfolio to increase its offering in the industrial sector.

2 Inputs Price Volatility Risk

Nature of risk

Availability and volatility in the price of raw material costs (steel, energy and freight) in the past few years.

Risk Mitigation strategies

BFL has raw material pass-through clauses in most of the contracts, to protect itself from commodity volatility. Also the presence of the steel supplier close to the factory makes it possible to acquire the raw materials in the shortest possible time. Increase in energy costs are mitigated by replacing the existing machines by more power efficient machines and developing better processes.

3 Foreign Currency Risk

Nature of risk

With significant revenues coming from the exports, BFL is always exposed to global currency fluctuations.

Risk Mitigation strategies

BFL has followed a consistent policy of booking simple forwards on a rolling basis to protect its export realisation.

4 Human Resource Risk

Nature of risk

Losing out an skilled human resource to competition

Risk Mitigation strategies

BFL has an effective and unique HR policy which believes in improving the skill sets of the employees with degrees from renowned institutes. This also creates a talent pipeline to address future growth requirement.

5 Financial Risk

Nature of risk

Increased interest rates leading to increase in the interest payment outflow

Risk Mitigation strategies

BFL is reducing the debt on its books by repaying the high interest rupee term loans first and then the foreign currency loans gradually. This will help to reduce the impact of the interest rate changes on the interest payments and consequently on the bottomline.



● BFL awarded Private Company of the Year for Best Risk Management Framework and System



12. Internal Systems And Their Adequacy

Bharat Forge has a proper and adequate internal control system in place to safeguard assets and protect against loss from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures recorded data are reliable to prepare financial information and to maintain accountability of assets. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures.

13. Threats And Opportunities

Threats

- ◀ The industry in India is confronted with increase in the input costs such as rising raw material prices of engineering grade steel and high price of power.
- ◀ Due to increasing competition and the presence of global players, the ability to attract and retain managerial talent and the availability of skilled and unskilled manpower is becoming a key issue. Improving the quality of manpower is also an issue for the industry.

- ◀ Increasing globalisation of markets signifies potential competition from forging capabilities that can emerge from players in other developed and developing countries. Hence, R&D costs have to be increased substantially to make technically advanced products that create a differentiating factor from the competition.
- ◀ The capacities created on the forging side have to be utilised optimally to be cost competitive in an increasing price sensitive market.
- ◀ Existing competitive materials (metal matrix composites, ceramics, and plastics); existing competitive processes (powder metallurgy, casting, stamping, fabricating) and emerging technologies, such as semi-solid forming and additive manufacturing (3D printing) may find increased application in the processing of metals.
- ◀ The necessity to develop technologies that adhere to the environmental norms and the use of a metal forging processing system that reduce the effects of pollution

has become essential. Hence, it is critical to create a functionally effective and an affordable process.

Opportunities

- ▶ In terms of industry trends, there is an increasing demand for ready-to-fit components/sub-assemblies as well as a growing demand for precision forging components (near net shape forging) mainly due to reducing cost along the production chain.
- ▶ The Indian automobile market has gained a lot of focus from the past couple of years from many global players who have started utilising India as a manufacturing hub. India holds significant advantage because of its low cost manufacturing and hence many OEMs are setting up shop here. This opens up a significant opportunity for auto component makers to cater to the domestic and export markets.
- ▶ The 'Make in India' initiative of the government coupled with the interest rate reduction cycle is expected to bring an economic revival and increase spending

on infrastructure and related sectors. This will provide a huge opportunity for the industrial products.

- ▶ In addition, the government's emphasis on import substitution to reduce the import bill opens up sectors like railways and defence and it augurs well for the domestic Indian manufacturing companies.

14. Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the forging industry — global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

BHARAT FORGE BELIEVES THAT IT IS IMPERATIVE AND NON-NEGOTIABLE FOR A WORLD-CLASS COMPANY TO ADOPT TRANSPARENT ACCOUNTING POLICIES, APPROPRIATE DISCLOSURE NORMS, BEST-IN-CLASS BOARD PRACTICES AND CONSISTENT HIGH STANDARDS OF CORPORATE CONDUCT TOWARDS ITS STAKEHOLDERS.

Bharat Forge has consistently aimed at developing and internalising such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect, Bharat Forge has adopted practices mandated in Clause 49 of the Listing Agreement and has established procedures and systems to be fully compliant with it. The procedure and systems are reviewed periodically to ensure their continued relevance, effectiveness and responsiveness to the needs of our Shareholders.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to the corporate governance, applicable for the year 2014-15.

BOARD OF DIRECTORS

Composition of the Board

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on March 31, 2015, Bharat Forge's Board comprises of fourteen (14) Directors. The Board consists of the six (6) Executive Directors (including Chairman and Managing Director, who is a promoter Director) and eight (8) Non-executive Directors, seven (7) of whom are Independent. The composition of the Board is in conformity with Clause 49 of the Listing Agreements with the stock exchanges. Details of the composition of the Board of Directors etc., are given in **Table 1**.

Number of Board Meetings

In 2014-15, the Board of the Company met 4 (four) times on May 27, 2014, July 30, 2014, November 10, 2014, and February 2, 2015. The maximum gap between any two Board Meetings was 102 days and the minimum gap was 63 days.

Directors' Attendance Record and Directorships

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year 2014-15, the last Annual General Meeting (AGM) held on September 4, 2014 and the number of Directorships & Committee Chairmanships/Memberships held by them in other Indian public limited companies as on March 31, 2015, are given herein below:

Table 1: Composition of the Board of Directors etc. for the year 2014-15

Name of the Director	Category	Attendance Particulars			No. of Directorships and Committee Memberships / Chairmanships in Indian Companies as on March 31, 2015****		
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies****	Committee Memberships held in Indian Public Ltd. Companies	Committee Chairmanships held in Indian Public Ltd. Companies
		Held	Attended				
Mr. B. N. Kalyani (Chairman and Managing Director)	Executive	4	4	Yes	12	2	1
Mr. S. M. Thakore	Independent	4	4	Yes	9	3	1
Mr. P. G. Pawar	Independent	4	4	Yes	14	2	2
Mr. P. C. Bhalerao	Non-Executive	4	2	No	NIL	NIL	NIL
Mrs. Lalita D. Gupte	Independent	4	4	Yes	5	3	1
Mr. P. H. Ravikumar	Independent	4	4	Yes	12	4	3
Mr. Alan Spencer*	Independent	4	1	N.A.	N.A.	N.A.	N.A.
Mr. Naresh Narad	Independent	4	4	Yes	1	1	NIL
Dr. T. Mukherjee	Independent	4	4	Yes	6	4	NIL
Mr. Vimal Bhandari	Independent	4	1	Yes	8	3	2
Mr. Sunil K. Chaturvedi**	Non-Executive	4	2	No	N.A.	N.A.	N.A.
Mr. G. K. Agarwal	Executive	4	4	Yes	NIL	NIL	NIL
Mr. Amit B. Kalyani	Executive	4	3	Yes	13	3	NIL
Mr. B. P. Kalyani	Executive	4	4	Yes	NIL	NIL	NIL
Mr. S. E. Tandale	Executive	4	2	Yes	1	NIL	NIL
Mr. K. M. Saletore***	Executive	4	1	N.A.	9	NIL	NIL

* Ceased to be a Director with effect from May 27, 2014.

** Ceased to be a Director with effect from March 31, 2015.

*** Mr. K. M. Saletore has joined the Company as Group Chief Financial Officer from November 18, 2011 and additionally got appointed as Chief Financial Officer (CFO) of the Company from August 1, 2014. On February 2, 2015, Mr. Saletore was appointed as Executive Director & CFO of the Company.

**** Other directorships do not include foreign companies. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee in all Indian Public Limited Companies have been considered.

Independent Directors

As mandated by Clause 49 of the Listing Agreement and the Companies Act, 2013, the Independent Directors on Bharat Forge Limited's Board:

- are person of integrity and possesses relevant expertise and experience;
- (i) are not a promoter of the Company or its holding, subsidiary or associate company;
- (ii) are not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives:
 - holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
 - (a) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - (b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - holds together with his relatives two percent or more of the total voting power of the Company; or

- is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
- is a material supplier, service provider or customer or a lessor or lessee of the Company;
- are not less than 21 years of age.

Information Supplied to the Board

Among others, information supplied to the Board includes:

- Annual operating plans of businesses and budgets and any updates thereof;
- Capital budgets and any updates thereof;
- Quarterly results for the Company and business segments;
- Minutes of the meetings of the Audit Committee, other Committees of the Board and minutes of meetings of Subsidiary Companies;
- The information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Making of loans and investment of surplus funds;
- General notices of interests of Directors;
- Constitution / Reconstitution of Board Committees;
- Appointment, remuneration and resignation of Directors;
- Dividend declaration;

- Significant changes in accounting policies and internal controls;
- Details of any joint venture or collaboration agreements;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions; any significant development on human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.;
- Sale of material nature of investments, subsidiaries, assets which are not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and others;
- Declaration of Independent Directors at the time of appointment/annually;
- Takeover of a Company or acquisition of a controlling of a substantial stake in another Company;
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee;
- Annual financial results of the Company, Auditors' Report and the Report of the Board of Directors; and
- Compliance Certificates for all the laws as applicable to the Company.

The Board of Directors of Bharat Forge Limited is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with the specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

CEO/MD and CFO Certification

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification

on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Chairman & 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 Clause 41 of the Listing Agreement. The said certificate is annexed and forms part of the Annual Report.

Code of Conduct

The Company has adopted a Code of Conduct (the Code) for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at the link: <http://content.dionglobal.in/bharatforge/PDF/Code%20of%20Conduct.pdf>

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

COMMITTEES OF THE BOARD

As on March 31, 2015 the Company has Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Finance & Risk Management Committee. The Board Committees are set-up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board meeting for perusal and noting. The Company Secretary acts as the secretary of all the Committees.

1. AUDIT COMMITTEE

The composition of the Audit Committee is as under:

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

All the members of the Audit Committee possess accounting, economic, legal and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies

Act, 2013 and Clause 49 of the Listing Agreement. Annual General Meeting (AGM) held on Thursday, September 4, 2014 was attended by the Chairman of the Committee, Mr. P. G. Pawar, to answer shareholders' queries.

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

Meetings:

The Audit Committee met 5 (five) times during the year 2014-15 on May 27, 2014, July 30, 2014, September 10, 2014, November 10, 2014, and February 2, 2015.

Table 2: Attendance record of Audit Committee members for 2014-15

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	5	5
Mr. S. M. Thakore	Independent	Member	5	5
Mr. P. H. Ravikumar	Independent	Member	5	5
Mr. P. C. Bhalerao	Non-Executive	Member	5	2

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

Powers of the Audit Committee:

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

Role of the Audit Committee inter alia includes the following:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

- Approval of payment of remuneration to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual financial statement and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statement arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statement.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statement before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter;
- Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Details of material individual transactions with related parties, which are not in the normal course of business;
- Details of material individual transactions with related parties or others, which are not at arm's length basis, along with management's justification for the same;
- Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary; and
- Evaluation of internal financial controls and risk management systems.

2. NOMINATION AND REMUNERATION COMMITTEE

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

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

Terms of Reference:

- 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;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Meetings:

The Nomination and Remuneration Committee met twice during the year 2014-15 on May 27, 2014 and February 2, 2015.

Review of information by the Audit Committee:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses, if any;
- The appointment, removal and terms of remuneration of the Internal Auditors is subject to review by the Audit Committee;
- The financial statement, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under Clause 49 of the Listing Agreement;

Table 3: Attendance record of Nomination and Remuneration Committee for 2014-15

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	2	2
Mr. S. M. Thakore	Independent	Member	2	2
Mr. Vimal Bhandari	Independent	Member	2	1
Mr. P. C. Bhalerao	Non-Executive	Member	2	1

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

Terms of reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy in terms of Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Meetings:

The Corporate Social Responsibility (CSR) Committee met twice during the year 2014-15 on May 27, 2014 and July 30, 2014.

Table 4: Attendance record of Corporate Social Responsibility (CSR) Committee for 2014-15

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	2	2
Mr. B. N. Kalyani	Executive	Member	2	2
Mr. Amit B. Kalyani	Executive	Member	2	1

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the

framework of CSR Policy. The Board on recommendation of CSR committee, on May 27, 2014 have approved CSR policy for the Company and disclosed the contents of the Policy on the Company's website at the link : <http://bharatforge.com/images/PDFs/policies/BFL%20CSR%20Policy-Signed.pdf>

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is as under:

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

Terms of Reference:

- To specifically look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

Meetings:

The Stakeholders Relationship Committee met during the year 2014-15 on February 2, 2015.

Table 5: Attendance record of Stakeholders Relationship Committee for 2014-15

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

Compliance Officer:

Mr. Anand Daga was appointed as Vice President (Legal) and Company Secretary of the Company with effect from September 26, 2014 in place of Mr. P. S. Vaishampayan. Mr. Anand Daga is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges. Mr. P. S. Vaishampayan was Compliance Officer of the Company from April 1, 2014 till September 25, 2014.

Table 6: Number and nature of complaints received and redressed during the year 2014-15

Nature of complaint	No. of complaints received	No. of complaints redressed
Non-receipt of shares lodged for transfer/transmission	1	1
Non-receipt of Dividend	NIL	NIL
Non-receipt of Sub-divided Shares	NIL	NIL
Non-receipt of Annual Report	1	1
Change of address	NIL	NIL

There were no outstanding complaints as on March 31, 2015.

SEBI Complaints Redress System (SCORES)

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

Designated Exclusive Email-ID

The Company has also designated the email-id: secretarial@bharatforge.com exclusively for investor servicing.

5. FINANCE AND RISK MANAGEMENT COMMITTEE

The 'Finance and Risk Management Committee' was re-constituted by the Board on February 2, 2015 by renaming the existing 'Finance Committee'. The Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement.

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

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

Terms of Reference:

- To monitor and review risk management plan of the Company from time to time;

- To formulate procedures and to inform Board members about the risk assessment and minimization procedures of the Company;
- To borrow money from Bank / Financial Institution, etc. upto limits specified by the Board;
- To invest funds of the Company into shares, debentures, securities or any other instruments in subsidiary, associate and other group Companies upto limits specified by the Board;
- To grant loans, advance monies or give guarantee or provide security in respect of any loans to subsidiary, associate and other group Companies upto limits specified by the Board;
- To approve capital expenditure for purchase of plant & machinery, instruments, etc. upto limits specified by the Board; and
- To open and close bank accounts of the Company and to authorise employees for operating bank accounts of the Company.

Meetings:

The Finance and Risk Management Committee met during the year 2014-15 on March 31, 2015.

Table 7: Attendance record of Finance and Risk Management Committee for 2014-15

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

FUNCTIONAL COMMITTEE

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

REMUNERATION OF DIRECTORS

Information on remuneration of Directors for the year ended March 31, 2015:

Table 8: Remuneration paid or payable to Directors for the year ended March 31, 2015 and relationships of the Directors with each other

(In ₹)

Name of the Director	Relationship with other Directors*	Sitting Fees**	Salary and Perquisites	Provident Fund and Superannuation Fund	Commission***	Total
Mr. B. N. Kalyani (Chairman and Managing Director)	Father of Mr. Amit B. Kalyani	NA	49,480,468	7,028,971	120,000,000	176,509,439
Mr. S. M. Thakore	None	500,000	NA	NA	1,400,000	1,900,000
Mr. P. G. Pawar	None	575,000	NA	NA	1,850,000	2,425,000
Mr. P. C. Bhalerao	None	275,000	NA	NA	1,050,000	1,325,000
Mrs. Lalita D. Gupte	None	225,000	NA	NA	900,000	1,125,000
Mr. P. H. Ravikumar	None	450,000	NA	NA	1,600,000	2,050,000
Mr. Alan Spencer®	None	50,000	NA	NA	NA	50,000
Mr. Naresh Narad	None	200,000	NA	NA	900,000	1,100,000
Dr. T. Mukherjee	None	200,000	NA	NA	900,000	1,100,000
Mr. Vimal Bhandari	None	75,000	NA	NA	1,000,000	1,075,000
Mr. Sunil K. Chaturvedi®®	None	100,000	NA	NA	400,000	500,000
Mr. G. K. Agarwal	None	NA	25,718,142	2,866,050	24,000,000	52,584,192
Mr. Amit B. Kalyani	Son of Mr. B.N. Kalyani	NA	25,062,319	2,857,122	24,000,000	51,919,441
Mr. B. P. Kalyani	None	NA	12,010,844	1,161,906	24,000,000	37,172,750
Mr. S. E. Tandale	None	NA	13,515,690	1,243,951	25,000,000	39,759,641
Mr. K. M. Saletore®®®	None	NA	10,682,325	650,880	17,000,000	28,333,205

Notes:

@ Ceased to be a Director with effect from May 27, 2014.

® Ceased to be a Director with effect from March 31, 2015.

®®® Mr. K. M. Saletore has joined the Company as Group Chief Financial Officer from November 18, 2011 and additionally got appointed as Chief Financial Officer (CFO) of the Company from August 1, 2014. On February 2, 2015, Mr. Saletore was appointed as Executive Director & CFO of the Company. The salary paid to Mr. Saletore is for the full year 2014-15 in various capacities.

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

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

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

Till FY 2013-14, the Sitting Fee of ₹ 5,000/- used to be paid to Directors for attending the Meetings of Board & Committees. In terms of the provisions of Section 197 of Companies Act, 2013 read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board at its meeting held on May 27, 2014, re-fixed the amount for Sitting Fee, with immediate effect @ ₹ 50,000/- per meeting for Board and Audit Committee meetings and @ ₹ 25,000/- per meeting of any other Board Committees' meetings.

Further, Company would make all travelling and other arrangements for Directors for their participation in the

Board and other committee meetings or reimburse such expenses, if any.

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

Payments to Non-Executive Directors are decided based on multiple criteria of seniority/ experience, number of years on the Board, Board/Committee meetings attended, Director's position on the Company's Board Committees, other relevant factors and performance of the Company. There are no pecuniary relationships or transactions of the Non-Executive Directors vis-a-vis the Company.

Details of equity shares of the Company held by Directors as on March 31, 2015 are given below in Table 9:

Table 9: Details of equity shares of the Company held by Directors as on March 31, 2015

Name of the Director	Number of equity shares held of ₹2/- each
Mr. B. N. Kalyani	39,025
Mr. Amit B. Kalyani	350,200
Mr. S. M. Thakore	14,000
Mr. B. P. Kalyani	3,130
Mr. G. K. Agarwal	2,455
Mr. P. H. Ravikumar	2,717

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

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, following information is furnished about the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting:

1. Mr. G. K. Agarwal [DIN : 00037678]

Mr. G. K. Agarwal (64) is a Bachelor of Engineering (Mech.) and M.B.A. He has over 42 years of work experience. Mr. G. K. Agarwal has been on the Board of the Company since April 1, 1998. He was designated as Deputy Managing Director with effect from May 23, 2006. He is responsible for the Company's operations viz. Marketing, Manufacturing, Purchases, Personnel, Exports and New Projects.

Other Directorship	Committee Membership
Name of the Company	Name of Committee
NIL	NIL

Mr. G. K. Agarwal is not related to any other Director of the Company. He holds 2,455 Equity Shares of the Company as on March 31, 2015.

2. Mr. S. E. Tandale [DIN : 00266833]

Mr. S. E. Tandale (46) is a Bachelor of Engineering (Mech.). He is an Executive Director of the Company with effect from May 23, 2006. He has over 24 years of work experience. He is responsible for the International Business of the Company.

Other Directorship	Committee Membership
Name of the Company	Name of Committee
David Brown Bharat Forge Gear Systems Limited	NIL

Mr. S. E. Tandale is not related to any other Director of the Company. He does not hold any Equity Shares of the Company as on March 31, 2015.

3. Mr. K. M. Saletore [DIN : 01705850]

Mr. K. M. Saletore (49) is a Bachelor of Commerce, Chartered Accountant and PGDM. He is an Executive Director of the Company with effect from February 2, 2015. He has over 27 years of work experience. He is also Chief Financial Officer of the Company.

Other Directorship	Committee Membership
Name of the Company	Name of Committee
David Brown Bharat Forge Gear Systems Limited	NIL
Nandi Highway Developers Limited	NIL
Kalyani Strategic Systems Limited	NIL
BF Infrastructure Ventures Limited	NIL
BF Infrastructure Limited	NIL
Analogic Controls India Limited	NIL
Nandi Infrastructure Corridor Enterprise Limited	NIL
Nandi Economic Corridor Enterprises Limited.	NIL
Harmony Electoral Trust	NIL

Mr. K. M. Saletore is not related to any other Director of the Company. He does not hold any Equity Shares of the Company as on March 31, 2015.

GENERAL BODY MEETINGS

Annual General Meeting

Date, time and venue for the last three Annual General Meetings are given in Table 10 below:

Table 10: Details of last three Annual General Meetings

Financial year	Date	Time	Venue	Special Resolutions Passed
2011-12	July 27, 2012	10.30 a.m.	Registered office of the Company	None
2012-13	August 8, 2013	10.30 a.m.	Registered office of the Company	None
2013-14	September 4, 2014	11.15 a.m.	Registered office of the Company	<ol style="list-style-type: none"> 1. Authority to the Board to create Charge. 2. Authority to the Board to Borrow money. 3. Related Party Transactions of the Company with Kalyani Carpenter Special Steels Limited. 4. Related Party Transactions of the Company with Kalyani Steels Limited. 5. Related Party Transactions of the Company with Bharat Forge International Limited.

No Extraordinary General Meeting of the Members was held during the year 2014-15.

Postal Ballot

No resolution was passed through Postal Ballot during the year 2014-15.

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

Subsidiary Companies

Bharat Forge Limited has 9 direct subsidiaries, out of which 2 are registered outside India and 7 are in India, whose turnover does not exceed the materiality limit prescribed under Clause 49 of the Listing Agreements with the Stock Exchanges.

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

The details of these subsidiaries are reported elsewhere in this report.

DISCLOSURES

Related Party Transactions

All transactions entered into with related parties during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link : <http://bharatforge.com/images/PDFs/policies/BFL.RPT%20Policy.pdf>

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the Members is drawn to the disclosure set out in notes to financial statement.

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

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis (MDA) and includes discussion on various matters specified under Clause 49 (VIII) (D) of the Listing Agreement.

Disclosure by Management to the Board

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

Details of non-compliance

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

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil mechanism for employees and directors to report concerns about unethical behaviour. The Whistle Blower Policy complies

with the requirements of Vigil mechanism as stipulated under Section 177(9) of the Companies Act, 2013. The details of establishment of Whistle Blower Policy/ Vigil Mechanism have been disclosed on the Company's website at the link : <http://bharatforge.com/images/PDFs/policies/BFL%20Whistle%20Blower%20Policy-Signed.pdf>

The policy comprehensively provides an opportunity for an employee/Director to report the instances of unethical behaviour, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The policy is being communicated to the employees and also posted on Company's intranet.

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

The Board

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

Shareholder Rights

Half yearly financial results are forwarded to the stock exchanges and uploaded on the website of the Company like Quarterly results.

Audit Qualification

The Company is in the regime of unqualified financial statement.

Training of Board Members

The Board members are provided with necessary documents/brochures and reports to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company and business strategy. Certain training programmes will suitably be arranged for Directors during the current financial year.

MEANS OF COMMUNICATION

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

www.bharatforge.com, regularly for the benefit of the public at large.

During the year, the quarterly, half-yearly and annual results of the Company's performance have been published in leading newspapers, such as Business Standard (all editions) and Loksatta (Pune).

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

Website

The Company's website contains a separate dedicated section titled "Investors". The basic information about the Company, as called for in terms of Clause 54 of the Listing Agreements with the Stock Exchanges, is provided on the Company's website: www.bharatforge.com and the same is updated from time to time.

Presentations to Institutional Investors/Analysts

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

NSE Electronic Application Processing System (NEAPS)

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

SHAREHOLDERS

Annual Report

Annual Report containing, *inter alia*, Audited financial statement, Consolidated financial statement, Boards' Report, Independent Auditors' Report and other important information, is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is displayed on the Company's website: www.bharatforge.com

Support Green Initiative of MCA

The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance by allowing paperless compliances by companies vide General Circular 17/2011 dated April 21, 2011, in terms of which the Company has been forwarding such documents through electronic mode. Company requests shareholders to provide their e-mail addresses to enable Company to forward the notices/documents through e-mail, to the maximum possible extent in order to support green initiative. Members are once again requested to register their e-mail addresses, in respect of electronic holdings with the Depository through

their concerned Depository Participants and members who hold shares in physical form with the Company at secretarial@bharatforge.com or at its registered office at Secretarial Department, Mundhwa, Pune Cantonment, Pune-411 036, Maharashtra, India.

GENERAL SHAREHOLDER INFORMATION

Company registration details

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

ANNUAL GENERAL MEETING

Day	: Monday
Date	: August 3, 2015
Time	: 10.30 a.m.
Venue	: Registered Office of the Company, Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.

FINANCIAL YEAR

April 1, 2014 to March 31, 2015

For the year ended March 31, 2015, results were announced on:

- July 30, 2014 : First quarter
- November 10, 2014 : Half yearly
- February 2, 2015 : Third quarter
- May 20, 2015 : Annual

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

Key financial reporting dates for the financial year 2015-16

Quarter ending June 30, 2015: on or before August 14, 2015

Quarter ending September 30, 2015: on or before November 14, 2015

Quarter ending December 31, 2015: on or before February 14, 2016

Audited results for the financial year 2015-16: on or before May 30, 2016

BOOK CLOSURE

The books will be closed from Wednesday, July 22, 2015 to Monday, August 3, 2015 (both days inclusive) as annual closure for payment of final dividend.

DIVIDEND

A. Interim Dividend (Equity Shares):

The Board of Directors of the Company at its meeting held on February 2, 2015 had approved payment of an Interim Dividend at the rate of ₹ 3/- per equity Share of ₹ 2/- each (150%) for the financial year ending on March 31, 2015. The said dividend has been paid on February 16, 2015.

B. Final Dividend (Equity Shares):

The Board has recommended a Final Dividend of ₹ 4.50 per equity share of ₹ 2/- each (225%) for the year ended March 31, 2015 and would be payable on or before August 21, 2015.

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

- who hold shares in physical form and whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company before the closing hours on Tuesday, July 21, 2015; and
- whose names appear as beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the end of the day on Tuesday, July 21, 2015.

Dividend declared by the Company for the last 5 years

Financial year	Dividend payment dates	Dividend per share*
2014-15	February 16, 2015 (Interim Dividend)	₹ 3.00
2013-14	September 25, 2014 (Final Dividend)	₹ 2.50
2013-14	February 28, 2014 (Interim Dividend)	₹ 2.00
2012-13	August 26, 2013 (Final Dividend)	₹ 2.40
2012-13	March 21, 2013 (Interim Dividend)	₹ 1.00
2011-12	August 14, 2012 (Final Dividend)	₹ 2.50
2011-12	March 22, 2012 (Interim Dividend)	₹ 1.50
2010-11	August 26, 2011 (Final Dividend)	₹ 3.50

*of paid-up value of ₹2/- each

Reminders to Investors

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

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

During the year under review, the Company has credited ₹2,882,373/- (Rupees Twenty-eight Lakh Eighty-two Thousand Three Hundred and Seventy-three only) lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

LISTING

Equity

SEBI vide its order no. WTM/RKA/MRD/28/2015 dated April 13, 2015 has allowed exit of Pune Stock Exchange Limited as a Stock Exchange with effect from April 13, 2015. As a consequence of the said order, Pune Stock Exchange cease to be a Stock Exchange and the Company's Equity Shares shall cease to be listed on Pune Stock Exchange Limited with effect from April 13, 2015.

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

BSE Script Code – 500493

NSE Trading Symbol – BHARATFORG

Equity ISIN : INE465A01025

Debt Security

- The 50% and 25% installment of Company's 10.75% Secured Redeemable Non-Convertible Debentures of ₹ 3,500 Million of face value of ₹ 1,000,000/- (₹ 750,000/- as on March 31, 2014) each was due for redemption on September 22, 2014 and March 22, 2015 respectively and the same has been paid on due dates. As a result, the said Debentures stands fully redeemed as at the end of 66th month from the

date of allotment i.e. on March 22, 2015.

- The 33.33% installment of Company's 11.95% Secured Redeemable Non-Convertible Debentures of ₹ 2,500 Million of face value of ₹ 1,000,000/- each was due for redemption on January 5, 2015 and the same has been paid on due date. As a result, after the said redemption, the paid up value of the said Debentures stands reduced to ₹ 666,700/- each at the end of 6th year from the date of allotment.
- The 35% installment of Company's 10.75% Secured Redeemable Non-Convertible Debentures of ₹ 1,760 Million of face value of ₹ 1,000,000/- each was due for redemption on April 28, 2014 and the same has been paid on due date. As a result, after the said redemption, the paid up value of the said Debentures stands reduced to ₹ 650,000/- each at the end of 4th year from the date of allotment.

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

DEBENTURE TRUSTEES

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

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

STOCK DATA

Table 11 below gives the monthly high and low prices and volumes of Bharat Forge Limited (Bharat Forge) Equity Shares at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) during the year 2014-15.

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

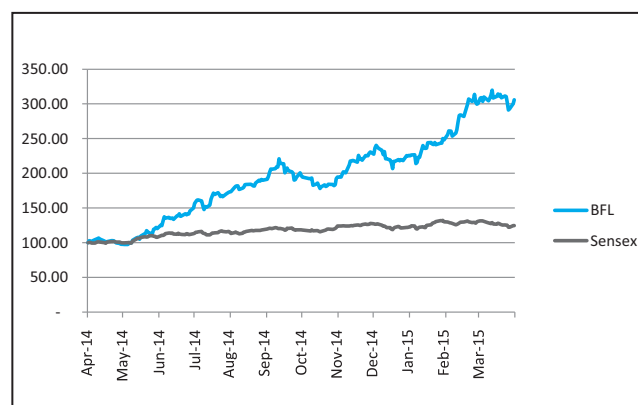
Month	BSE Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
	High (₹)*	Low (₹)*	Volume (Nos.)	High (₹)*	Low (₹)*	Volume (Nos.)
Apr-14	449.00	402.55	7,94,383	449.00	402.50	13,879,582
May-14	521.00	401.25	15,72,604	522.00	401.00	17,544,452
Jun-14	632.00	504.70	20,41,586	633.20	501.00	19,790,125
Jul-14	738.00	609.45	20,87,828	738.00	609.05	23,204,020
Aug-14	803.00	710.00	13,71,343	803.20	713.35	16,220,897
Sep-14	934.40	782.50	19,31,130	933.65	782.70	23,741,716
Oct-14	833.75	713.30	15,89,454	833.80	712.50	18,416,336
Nov-14	978.00	805.20	31,01,493	979.00	801.85	22,972,710
Dec-14	1,015.80	841.00	14,67,589	1,015.00	840.05	15,062,779
Jan-15	1,052.15	875.85	17,66,059	1,052.00	875.55	14,667,566
Feb-15	1,316.70	1,018.65	31,26,240	1,317.00	1,016.10	23,977,084
Mar-15	1,349.00	1,188.00	18,36,553	1,347.30	1,186.95	16,196,328

*Price in ₹ per Equity Share

STOCK PERFORMANCE

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

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



Note: Share prices of Bharat Forge and BSE Sensex have been indexed to 100 as on first working day of financial year 2014-15 i.e. April 1, 2014.

Share Transfer Agents and Share Transfer and Demat System

Bharat Forge Limited has no share transfer agent. The Company is SEBI Registered Category-1 Registrar to an Issue and Share Transfer Agent. All works relating to physical transfer, transmission, splitting of Share certificates, dematerialisation and rematerialisation

processing, payment of dividend etc. is done in-house at the registered office of the Company. Bharat Forge's equity shares are traded on the Stock Exchanges compulsorily in Demat mode. The Board's Executive Committee meets twice a month for dealing with matters concerning securities of the Company.

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

Secretarial Audit for reconciliation of capital

In compliance with the requirements of SEBI, the Company has, at the end of every quarter, submitted a certificate of Reconciliation of Share Capital reconciling the total shares held by both the depositories 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 within 30 days of the end of each quarter and the certificate is also placed periodically before the Board of Directors of the Company at its Board Meetings.

As of the date of this report, there are no legal proceedings against the Company on any share transfer matter.

Code of Conduct for Prevention of Insider Trading Practices

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 has notified The

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (New Regulations). The New Regulations came into effect from May 15, 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed from that date. The Company has formulated a comprehensive Code of Conduct for Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information in the securities of the Company to its Promoters, Key Managerial Personnel and Designated Persons.

SHAREHOLDING PATTERN

Table 12: Pattern of shareholding by ownership as on March 31, 2015

Category of Shareholder	No. of Shareholders	No. of shares held	Shareholding %
Promoters ¹	22	108,817,920	46.75
Financial Institutions	14	4,177,371	1.79
Mutual Funds (including Unit Trust of India)	192	24,513,162	10.54
Insurance Companies	4	3,452,599	1.48
Nationalised Banks	14	434,473	0.19
Foreign Institutional Investors	221	37,664,777	16.18
Bodies Corporate	1,278	18,368,907	7.89
Non Resident Indians	1,582	753,156	0.32
Foreign Nationals (including Foreign Banks and Foreign Corporate Bodies)	30	3,452,121	1.48
Public ²	71,179	31,159,830	13.38
Total	74,536	232,794,316	100.00

1 and 2: For definition of promoter's shareholding and public shareholding, refer to Clause 40A of the Listing Agreement.

Table 13: Distribution Schedule as on March 31, 2015

Category (Shares)	Number of shareholders	Number of shares held of ₹ 2/- each	Shareholding %
1 to 5000	73,232	15,760,813	6.77
5001 to 10000	536	3,810,027	1.64
10001 to 20000	254	3,580,928	1.54
20001 to 30000	102	2,531,210	1.09
30001 to 40000	64	2,203,778	0.95
40001 to 50000	36	1,611,384	0.69
50001 to 100000	106	7,468,200	3.20
100001 and above	206	195,827,976	84.12
Total	74,536	232,794,316	100.00

Dematerialisation

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2015, dematerialised shares accounted for 96.36% (96.26% upto March 31, 2014) of total Equity share capital. The details of dematerialisation are given in Table 14 below.

Table 14: Dematerialisation of Shares as on March 31, 2015

Sr. No.	Mode of holding	%
1	NSDL	92.03
2	CDSL	4.33
3	Physical	3.64
	Total	100.00

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

GDRs – 9,200

Table 15: Details of public funding obtained in the last three years and its implication on paid up Equity Share Capital

Financial Year	Amount Raised through Public Funding	Effect on Paid up Equity Share Capital
2014-15	NIL	NIL
2013-14	NIL	NIL
2012-13	NIL	NIL

On April 28, 2006, 400 Zero Coupon FCCB Tranche A and 399 Zero Coupon FCCB Tranche B of USD 100,000 each were issued aggregating to USD 79.90 million. 400 Zero Coupon FCCBs Tranche - A were redeemed on April 27, 2012 and 399 Zero Coupon FCCBs Tranche - B were redeemed on April 26, 2013.

Plant Locations

- Mundhwa, Pune Cantonment, Pune – 411 036, Maharashtra, India
- Gat No.635, Kuruli Village, Chakan, Tal- Khed, District Pune – 410 501, Maharashtra, India
- Opposite Jarandeshwar Railway Station, Post - Vadhuth, District Satara – 415 011, Maharashtra, India
- Tandulwadi & Wanjarwadi, Tal. Baramati, Dist. Pune – 413 206, Maharashtra, India

Investor Correspondence Address

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

Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. S R B C & Co LLP, confirming compliance with the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is attached.

Disclosure under Clause 5A.II of the Listing Agreement in respect of Unclaimed Shares

In compliance with the Clause 5A.II of the Equity Listing Agreement, to deal with the unclaimed shares in physical form, the Company had sent three reminders to such shareholders, whose sub-divided share certificates remained unclaimed, by requesting them to update correct details viz. postal addresses, PAN details etc. registered with the Company in order to avoid transfer of such unclaimed shares to the Unclaimed Suspense Account. The Company is in the process of forwarding the share certificates to those shareholders who have claimed their respective shares in response to above reminders.

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, B.N. Kalyani, Chairman and Managing Director of Bharat Forge Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended March 31, 2015, compliance with the Code of Conduct of the Company laid down for them.

B. N. KALYANI

Chairman and Managing Director

Pune: May 20, 2015

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

We have examined the compliance of the conditions of corporate governance by Bharat Forge Limited, for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **S R B C & Co LLP**

Chartered Accountants

ICAI Firm registration Number: 324982E

Per **Arvind Sethi**

Partner

Membership No. 89802

Place: Pune

Date: May 20, 2015

TO THE BOARD OF DIRECTORS OF BHARAT FORGE LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

- a) We have reviewed financial statement and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:
 - i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K. M. SALETORE
Chief Financial Officer

B. N. KALYANI
Chairman & Managing Director

Pune: May 20, 2015

Board's Report

For the year ended March 31, 2015

To,
The Members,

Your Directors have pleasure in presenting the Fifty-fourth Annual Report on the business and operations of the Company and the audited financial statement for the Financial Year ended March 31, 2015.

1. PERFORMANCE OF THE COMPANY

a) Total Income (on stand-alone basis):

2014-15	2013-14	% Change
₹ 46,413.69 Million	₹ 35,139.73 Million	32

During the year under review, total income of the Company was ₹ 46,413.69 Million (previous year ₹ 35,139.73 Million), representing an increase of 32%.

The worst seems to be over for the Indian Automotive Industry. Medium & Heavy Commercial Vehicle Segment recorded a growth of 21% although volumes were still lower than the peak of FY 2011-12. Car segment also saw a modest growth of 3%. Tractor Industry, however, after achieving a peak in FY 2013-14, de-grew by 11%, de-growth in 2nd half of FY 2014-15 was however close to 24%.

The total domestic revenue has grown by 16%.

b) Exports Revenue (on stand-alone basis):

2014-15	2013-14	% Change
₹ 27,206.69 Million	₹ 18,482.13 Million	47

During the year under review, exports turnover of the Company was ₹ 27,206.69 Million (previous year ₹ 18,482.13 Million), representing an increase of 47%.

The impressive growth in exports was achieved on account of relentless efforts made to develop new markets and increase level of business with existing customers. The Company has also signed a long term contract with a Global Aerospace Company for supply of components.

c) Financials (on stand-alone basis):

	In ₹ Million	
	Current Year	Previous Year
1) Total Income	46,413.69	35,139.73
2) Exports Revenue	27,206.69	18,482.13
3) Net Profit		
Profit for the year before Taxation & Exceptional Item	10,609.51	5,834.92
Add/(Less): Exceptional Item	(36.32)	123.50
Provision for Taxation:		
Current tax	3,434.00	1,539.00
Deferred tax	(23.60)	426.73
Adjustment of tax relating to earlier year	(27.05)	(6.60)
Net Profit	7,189.84	3,999.29
Balance of Profit from previous year	13,439.31	11,469.41
Debenture Redemption Reserve Written back	875.00	-
Profit available for appropriation	21,504.15	15,468.70
APPROPRIATIONS:		
Interim Dividend on Equity Shares	698.38	465.59
Tax on above dividend	139.64	79.13
Proposed Final Dividend on Equity Shares	1,047.57	581.99
Tax on above dividend	213.26	98.91
Debenture Redemption Reserve	87.29	403.77
Transfer to General Reserve	719.00	400.00
Surplus retained in Statement of Profit & Loss	18,599.01	13,439.31

2. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company in Form MGT-9 is annexed herewith as **Annexure "A"** to this report.

3. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2014-15, four Board Meetings were held. The details of which are given in Corporate Governance Report.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable Accounting Standards have been followed and there were no material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments 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 at March 31, 2015 and of the profit of the Company for that period;

- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The Nomination

and Remuneration policy is annexed herewith as **Annexure "B"** to this report.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report. These loans / guarantees are primarily granted for the furtherance of business of the borrowing companies.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business.

The policy on Related Party Transaction as approved by the Board has been displayed on the Company's website at the link – <http://bharatforge.com/images/PDFs/policies/BFL.RPT%20Policy.pdf>

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as **Annexure "C"** to this report. Related Party disclosures as per AS-18 have been provided in Note – 33 to the financial statement.

8. STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is presented in a separate section forming part of the Annual Report.

9. DIVIDEND & RESERVES

Your Company paid an Interim Dividend of ₹ 3.00 per Equity Share (150%) of the face value of ₹ 2/- each, aggregating to ₹ 838.01 Million (inclusive of tax on dividend of ₹ 139.63 Million) for the financial year ended on March 31, 2015.

Your Directors are pleased to recommend a Final Dividend of ₹ 4.50 per Equity Share (225%) of the face value of ₹ 2/- each, aggregating to ₹ 1260.83 Million (inclusive of tax on dividend of ₹ 213.26 Million) for the financial year ended on March 31, 2015 for your consideration. Total Dividend paid for the year ended on March 31, 2014 was ₹ 4.50 per Equity Share (225%).

During the year under review, it is proposed to transfer ₹ 719.00 Million (previous year – ₹ 400 Million) to the General Reserves and ₹ 87.29 Million (previous year – ₹ 403.77 Million) to Debenture Redemption Reserve. An amount of ₹ 18,599.01 Million is proposed to be retained as surplus in the Statement of Profit & Loss.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

10. SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2015 stood at ₹ 465.59 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, 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

There are no adverse material changes or commitments occurring after March 31, 2015 which may affect the financial position of the Company or may require disclosure.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as **Annexure "D"** to this report.

13. RISK MANAGEMENT POLICY

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The risk governance structure of the Company is a formal organisation structure with defined roles and responsibilities for risk management.

The processes and practices of risk management of the Company encompass risk identification, classification and evaluation. The Company identifies all strategic, operational and financial risks that the Company faces, by assessing and analysing the latest trends in risk information available internally and externally and using the same to plan for risk management activities.

The Company has set-up a Finance and Risk Management Committee to review the risks faced by the Company and monitor the development and deployment of risk mitigation action plans. The Committee reports to the Board of Directors and the Audit Committee who provide oversight for the entire risk management framework in the Company.

Accordingly, this year as well, the Directors have reviewed the risk management policy and processes and also the risks faced by the Company and the corresponding risk mitigation plans deployed. The Company is on track in respect of its risk mitigation activities.

14. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company has been carrying out various Corporate Social Responsibility (CSR) initiatives. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee of the Company comprises of Mr. P. G. Pawar (Chairman), Mr. B. N. Kalyani and Mr. Amit B. Kalyani.

During the year, the Company has spent ₹ 112.31 Million (around 3.15% of the average net profits of last three financial years) on various CSR activities.

The Annual Report on CSR activities that includes details about the CSR policy developed and implemented by the Company and CSR initiatives

taken during the year is annexed herewith as **Annexure "E"** to this report.

15. AUDIT COMMITTEE

The Audit Committee comprises of Mr. P. G. Pawar (Chairman), Mr. S. M. Thakore, Mr. P. H. Ravikumar and Mr. P. C. Bhalerao. All the recommendations made by the Audit Committee were deliberated and accepted by the Board.

16. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination and Remuneration Policy.

17. DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS

In terms of provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. S. E. Tandale and Mr. G. K. Agarwal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

On the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. K. M. Saletore, who was appointed as Chief Financial Officer (CFO) of the Company with effect from August 1, 2014, as Executive Director and CFO with effect from February 2, 2015.

Mr. S. K. Chaturvedi, Non-executive Director of the Company has tendered his resignation effective from March 31, 2015 due to personal reason and ceased to be the Director of the Company. The Directors place on record their appreciation for the valuable contribution made by Mr. S. K. Chaturvedi.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

18. DETAILS OF APPOINTMENT AND RESIGNATION OF KEY MANAGERIAL PERSONNEL

Mr. K. M. Saletore was appointed as Chief Financial Officer of the Company with effect from August 1, 2014 due to retirement of Mr. S. G. Joglekar from the services of the Company effective from July 31, 2014.

Mr. Anand Daga was appointed as Vice President (Legal) & Company Secretary of the Company with effect from September 26, 2014 due to resignation of Mr. P. S. Vaishampayan from the services of the Company effective from September 25, 2014.

19. FAMILIARISATION PROGRAMME

The details of programmes for familiarisation of Independent Directors with the Company has been displayed on the Company's website at the link – http://bharatforge.com/images/Familiarisation_Programme-BFL.pdf

20. NAMES OF THE COMPANIES WHICH HAVE BECOME/CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year, Impact Automotive Solutions Limited ceased to be the Joint Venture of the Company pursuant to divestment of its stake to other JV Partner.

Kalyani ALSTOM Power Limited ceased to be the Joint Venture of the Company by virtue of its amalgamation into ALSTOM Bharat Forge Power

Limited pursuant to the order of Hon'ble High court of Delhi dated August 7, 2014.

During the year, the Company through its German subsidiary – CDP Bharat Forge GmbH has acquired 100% Equity Shares of Mecanique Generale Langroise, France.

A statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is presented in a separate section forming part of the financial statement.

The Policy for determining 'Material' subsidiaries has been displayed on the Company's website at the link – <http://bharatforge.com/images/PDFs/policies/Policy%20on%20Material%20Subsidiary-BFL.pdf>

21. DEPOSITS

The Company has not accepted deposits under Chapter V of the Companies Act, 2013 during the year.

22. 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 Company's operations in future.

23. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statement. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

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

Sr. No.	Information Required	Input
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Please refer Annexure "F"
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Please refer Annexure "F"
3	The percentage increase in the median remuneration of employees in the financial year	16.47%
4	The number of permanent employees on the rolls of Company	4709
5	The explanation on the relationship between average increase in remuneration and Company performance.	The increase in remuneration is not solely based on the 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. All these factors are considered for revision of remuneration.

Sr. No.	Information Required	Input									
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	The increase in remuneration is not solely based on the 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. All these factors are considered by Board/Nomination and Remuneration Committee.									
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	<table border="1"> <thead> <tr> <th></th> <th>March 31, 2015</th> <th>March 31, 2014</th> </tr> </thead> <tbody> <tr> <td>Market Capitalisation (In ₹ Million)</td> <td>297,068.83</td> <td>98,157.72</td> </tr> <tr> <td>PE ratio</td> <td>41.32</td> <td>24.54</td> </tr> </tbody> </table> <p>% increase in market quotation over last public offer price:</p> <p>Public issue of equity shares was made in the year 1979 with issue price of ₹ 100.00 per share. The average closing price on BSE and NSE as on March 31, 2015 was 1276.10 The market price per share has increased by 63,705% as on March 31, 2015.</p>		March 31, 2015	March 31, 2014	Market Capitalisation (In ₹ Million)	297,068.83	98,157.72	PE ratio	41.32	24.54
	March 31, 2015	March 31, 2014									
Market Capitalisation (In ₹ Million)	297,068.83	98,157.72									
PE ratio	41.32	24.54									
8	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.	<p>Percentage increase in salaries of managerial personnel at 50th Percentile is: 25%</p> <p>Percentage increase in salaries of non-managerial personnel at 50th Percentile is: 18.06%</p> <p>The increase in remuneration is not solely based on the 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 the Company performance. There are no exceptional circumstances for increase in the managerial remuneration.</p>									
9	The key parameters for any variable component of remuneration availed by the Directors.	Commission is the variable component in the remuneration of the Directors. The Commission amount is as per the Nomination and Remuneration Policy of the Company.									
10	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Not applicable									
11	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.									
12	Statement showing the name of every employee of the Company, who- <ul style="list-style-type: none"> (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. 	Please refer Annexure "G"									

25. VIGIL MECHANISM

The Company has in place Whistle Blower Policy, wherein the Employees/Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company has been displayed on the Company's website at the link – <http://bharatforge.com/images/PDFs/policies/BFL%20Whistle%20Blower%20Policy-Signed.pdf>

26. AUDITORS

a. Statutory Auditors

At the Annual General Meeting held on September 4, 2014, M/s. S R B C & Co LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S R B C & Co LLP, Chartered Accountants, as Statutory Auditors of the Company, will be placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

b. Secretarial Audit

The Board has appointed M/s. SVD & Associates, Company Secretaries, Pune, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as **Annexure "H"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

c. Cost Auditors

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditor to audit the cost accounts of the Company for the financial year 2015-16. As required under the Companies Act, 2013, a resolution seeking Member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting.

The Cost Audit report for the financial year 2013-14 was filed with the Ministry of Corporate Affairs on September 25, 2014.

27. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

28. REDEMPTION OF DEBENTURES

- The 50% and 25% installment of Company's 10.75% Secured Redeemable Non-Convertible Debentures of ₹ 3,500 Million of face value of ₹ 1,000,000/- (₹ 750,000/- as on March 31, 2014) each was due for redemption on September 22, 2014 and March 22, 2015 respectively and the same has been paid on due dates. As a result, the said Debentures stands fully redeemed as at the end of 66th month from the date of allotment i.e. on March 22, 2015.
- The 33.33% installment of Company's 11.95% Secured Redeemable Non-Convertible Debentures of ₹ 2,500 Million of face value of Rs 1,000,000/- each was due for redemption on January 5, 2015 and the same has been paid on due date. As a result, after the said redemption, the paid up value of the said Debentures stands reduced to ₹ 666,700/- each at the end of 6th year from the date of allotment.

- The 35% installment of Company's 10.75% Secured Redeemable Non-Convertible Debentures of ₹ 1,760 Million of face value of ₹ 1,000,000/- each was due for redemption on April 28, 2014 and the same has been paid on due date. As a result, after the said redemption, the paid up value of the said Debentures stands reduced to ₹ 650,000/- each at the end of 4th year from the date of allotment.

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

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Central Government, the Government of Maharashtra, 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 & 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

Pune: May 20, 2015

Annexure "A"

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L25209PN1961PLC012046
ii)	Registration date	June 19, 1961
iii)	Name of the Company	Bharat Forge Limited
iv)	Category/Sub category of the Company	Public Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and contact details	Mundhwa, Pune Cantonment, Pune - 411 036 Tel. No. 020 6704 2777/2476 Fax No. 020 2682 2163
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Company is having in-house share transfer facility and therefore the Company has not appointed Registrar and Transfer Agent.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as stated below:-

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company*
1	Steel Forgings	73269099	39.06%
2	Finished Machined Crankshafts	84831099	32.95%
3	Front Axles assembly and components	87081090	13.68%

* On the basis of Gross Turnover.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	CDP Bharat Forge GmbH	Mittelstrasse 64, 58256 Ennepetal, Germany	N.A.	Subsidiary	100%	2(87)(ii)
2	Bharat Forge Daun GmbH	Junius - Saxler - StarB 4 D 54550 Daun, Germany	N.A.	Subsidiary	100%	2(87)(ii)
3	BF New Technologies GmbH	Mittelstrasse 64, 58256 Ennepetal, Germany	N.A.	Subsidiary	100%	2(87)(ii)
4	Bharat Forge Holding GmbH	Mittelstrasse 64, 58256 Ennepetal, Germany	N.A.	Subsidiary	100%	2(87)(ii)
5	Bharat Forge Aluminiumtechnik GmbH & Co. KG,	Berthelsodorfer StraBe 8 09618 Brand - Erbisdorf, Germany	N.A.	Subsidiary	100%	2(87)(ii)
6	Bharat Forge Aluminiumtechnik Verwaltungs GmbH	Berthelsodorfer StraBe 8 09618 Brand - Erbisdorf, Germany	N.A.	Subsidiary	100%	2(87)(ii)
7	Mecanique Generale Langroise, (w.e.f. December 17, 2014)	Rue du Stade, 52200 Saints-Geosmes, France	N.A.	Subsidiary	100%	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
8	Bharat Forge Beteiligungs GmbH	Mittelstrasse 64, 58256 Ennepetal, Germany	N.A.	Subsidiary	100%	2(87)(ii)
9	Bharat Forge Kilsta AB	Box 428 691 27 Karlskoga, Sweden	N.A.	Subsidiary	100%	2(87)(ii)
10	Bharat Forge Hong Kong Ltd.	14 th Floor, Hutchion House, 10, Harcourt Road, Central Hong Kong SAR, Hong Kong	N.A.	Subsidiary	100%	2(87)(ii)
11	Bharat Forge International Limited	Boston House Business Centre, 69-75 Boston Manor Road, Brentford TW8 9JJ, United Kingdom	N.A.	Subsidiary	100%	2(87)(ii)
12	Bharat Forge America Inc.	950 W Monroe St. Suite 600 Jackson, MI 49202, U.S.A.	N.A.	Subsidiary	100%	2(87)(ii)
13	BF Infrastructure Limited	Mundhwa, Pune Cantonment, Pune-411 036	U45203PN2010PLC136755	Subsidiary	100%	2(87)(ii)
14	BF Infrastructure Ventures Limited	Mundhwa, Pune Cantonment, Pune-411 036	U74900PN2010PLC137992	Subsidiary	100%	2(87)(ii)
15	Kalyani Strategic Systems Limited	Mundhwa, Pune Cantonment, Pune-411 036	U31902PN2010PLC138025	Subsidiary	100%	2(87)(ii)
16	Kalyani Polytechnic Private Limited*	Mundhwa, Pune Cantonment, Pune-411 036	U80903PN2012NPL144161	Subsidiary	100%	2(87)(ii)
17	BF Elbit Advanced Systems Private Limited	Mundhwa, Pune Cantonment, Pune-411 036	U29270PN2012PTC144268	Subsidiary	100%	2(87)(ii)
18	Analogic Controls India Limited	Survey No. 23/2, P.O. Gundlapochampally, NH-7, via Hakimpet, Hyderabad -500 014	U28932TG1996PLC024629	Subsidiary	60%	2(87)(ii)
19	Kalyani ALSTOM Power Limited**	14 th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110 001	U29128DL2010PLC197806	Subsidiary	51%	2(87)(ii)
20	BF-NTPC Energy Systems Limited	14 th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110 001	U40106DL2008PLC179793	Subsidiary	51%	2(87)(ii)
21	Tecnica UK Limited	2 Cheyne Walk Bawtry Doncaster South Yorkshire DN10 6RS, United Kingdom	N.A.	Associate	30%	2(6)
22	Talbahn GmbH	Mühlenstrasse 38 58285 Gevelsberg, Germany	N.A.	Associate	35%	2(6)
23	Ferrovial Transrail Solutions Private Limited	14 th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110 001	U45300DL2012PTC239645	Associate	49%	2(6)
24	ALSTOM Bharat Forge Power Limited**	14 th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110 001	U29111DL2010FTC197807	Associate/ Joint Venture	49%	2(6)

*Kalyani Polytechnic Private Limited is a Company incorporated under section 25 of the Companies Act, 1956

** Kalyani ALSTOM Power Limited ceased to be the Joint Venture of the Company by virtue of its amalgamation into ALSTOM Bharat Forge Power Limited pursuant to the order of Hon'ble High Court of Delhi dated August 7, 2014.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding as on March 31, 2015

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	808,065	50	808,115	0.35	808,065	50	808,115	0.35	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	102,332,315	5,677,490	108,009,805	46.40	102,332,315	5,677,490	108,009,805	46.40	--
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	103,140,380	5,677,540	108,817,920	46.74	103,140,380	5,677,540	108,817,920	46.74	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	103,140,380	5,677,540	108,817,920	46.74	103,140,380	5,677,540	108,817,920	46.74	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	21,643,745	4,800	21,648,545	9.30	24,508,362	4,800	24,513,162	10.53	1.23
b) Banks/FI	7,110,360	8,775	7,119,135	3.06	4,651,039	8,775	4,659,814	2.00	-1.06
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	4,910,534	--	4,910,534	2.11	3,452,599	--	3,452,599	1.48	-0.63
g) FIs	37,250,386	1,845	37,252,231	16.00	37,662,932	1,845	37,664,777	16.18	0.18
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)									
(i-i) Foreign bank	--	--	--	--	4,274	--	4,274	--	--
(i-ii) Foreign Portfolio Investor	--	--	--	--	3,446,935	--	3,446,935	1.48	1.48
Sub-total (B)(1):-	70,915,025	15,420	70,930,445	30.48	73,726,141	15,420	73,741,561	31.68	1.20
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	19,541,896	13,200	19,555,096	8.40	18,355,747	13,160	18,368,907	7.89	-0.51
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share Capital up to ₹ 1 lakh	17,301,901	2,877,939	20,179,840	8.67	19,068,925	2,643,476	21,712,401	9.33	0.66
ii) Individual Shareholders holding nominal share Capital in excess of ₹ 1 lakh	11,480,194	109,300	11,589,494	4.98	8,911,623	109,300	9,020,923	3.88	-1.10
c) Others (specify)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c-i) Clearing Member	1,105,640	--	1,105,640	0.47	335,343	--	335,343	0.14	-0.33
(c-ii) Trusts	16,581	--	16,581	0.01	34,905	--	34,905	0.01	-
(c-iii) Non Resident Indian	577,085	13,015	590,100	0.25	740,141	13,015	753,156	0.33	0.08
Sub-total (B)(2):-	50,023,297	3,013,454	53,036,751	22.78	47,446,684	2,778,951	50,225,635	21.58	(1.20)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	120,938,322	3,028,874	123,967,196	53.26	121,172,825	2,794,371	123,967,196	53.26	-
C. Shares held by Custodian for GDRs & ADRs	9,200	--	9,200	--	9,200	--	9,200	--	--
Grand Total (A+B+C)	224,087,902	8,706,414	232,794,316	100	224,322,405	8,471,911	232,794,316	100	-

ii) Shareholding of Promoters :

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2014)			Shareholding at the end of the year (As on March 31, 2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr. B.N. Kalyani	39,025	0.02	-	39,025	0.02	-	
2	Mr. Amit B. Kalyani	350,200	0.15	-	350,200	0.15	-	
3	Mr. Gaurishankar N. Kalyani	345,220	0.15	-	345,220	0.15	-	
4	Mrs. Sulochana N. Kalyani jointly with Mr. B. N. Kalyani	50	-	-	50	-	-	
5	Ms. Sheetal G. Kalyani	11,490	-	-	11,490	-	-	
6	Mrs. Rohini G. Kalyani	50,730	0.02	-	50,730	0.02	-	
7	Kum. Viraj G. Kalyani	11,400	-	-	11,400	-	-	
8	KSL Holding Pvt. Ltd.	23,142,870	9.94	-	23,142,870	9.94	-	
9	Ajinkya Investment & Trading Company	9,818,925	4.22	-	9,818,925	4.22	-	
10	Sundaram Trading and Investment Pvt. Ltd.	29,907,087	12.85	-	29,907,087	12.85	-	
11	Kalyani Investment Company Limited	31,656,095	13.60	-	31,656,095	13.60	-	
12	BF Investment Limited	7,807,338	3.35	-	7,807,338	3.35	-	
13	Rajgad Trading Co. Pvt. Ltd.	662,760	0.28	-	662,760	0.28	-	
14	Tanmarg Investment & Trading Pvt. Ltd.	388,000	0.17	-	388,000	0.17	-	
15	Yusmarg Investment & Trading Pvt. Ltd.	822,000	0.35	-	822,000	0.35	-	
16	Kalyani Consultants Pvt. Ltd.	328,500	0.14	-	328,500	0.14	-	
17	Jannhavi Investment Pvt. Ltd.	2,217,570	0.95	-	2,217,570	0.95	-	
18	Dronacharya Investment & Trading Pvt. Ltd.	70,715	0.03	-	70,715	0.03	-	
19	Cornflower Investment & Finance Pvt. Ltd	247,000	0.11	-	247,000	0.11	-	
20	Dandakaranya Investment & Trading Pvt. Ltd	512,500	0.22	-	512,500	0.22	-	
21	Campanula Investment & Finance Pvt. Ltd.	344,445	0.15	-	344,445	0.15	-	
22	Hastinapur Investment & Trading Pvt. Ltd.	84,000	0.04	-	84,000	0.04	-	
	Total	108,817,920	46.74		108,817,920	46.74		

iii) Change in Promoters' Shareholding:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (As on April 1, 2014)	108,817,920	46.74	108,817,920	46.74
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	#	#	#	#
	At the end of the year (As on March 31, 2015)	108,817,920	46.74	108,817,920	46.74

There is no change in the shareholding of the Promoters between April 1, 2014 and March 31, 2015.

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Company Ltd					
	As on 01.04.2014		8,120,200	3.49	8,120,200	3.49
Add	23.05.2014	Market Purchase	125,000	0.05	8,245,200	3.54
Add	30.05.2014	Market Purchase	102,181	0.04	8,347,381	3.59
Add	20.06.2014	Market Purchase	50,000	0.02	8,397,381	3.61
Less	18.07.2014	Market Sale	(-) 150,000	0.06	8,247,381	3.54
Less	01.08.2014	Market Sale	(-)191,573	0.08	8,055,808	3.46
Less	08.08.2014	Market Sale	(-)285,608	0.12	7,770,200	3.34
Less	29.08.2014	Market Sale	(-)100,000	0.04	7,670,200	3.29
Less	05.09.2014	Market Sale	(-)230,000	0.1	7,440,200	3.2
Less	12.09.2014	Market Sale	(-) 320,000	0.14	7,120,200	3.06
Less	19.09.2014	Market Sale	(-) 253,886	0.11	6,866,314	2.95
Less	30.09.2014	Market Sale	(-) 106,000	0.05	6,760,314	2.9
Less	10.10.2014	Market Sale	(-) 50,200	0.02	6,710,114	2.88
Less	28.11.2014	Market Sale	(-) 340,000	0.15	6,370,114	2.74
Less	16.01.2015	Market Sale	(-) 120,000	0.05	6,250,114	2.68
Less	06.02.2015	Market Sale	(-) 50,000	0.02	6,200,114	2.66
Less	27.02.2015	Market Sale	(-) 172,000	0.07	6,028,114	2.59
Less	20.03.2015	Market Sale	(-) 49,718	0.02	5,978,396	2.57
	As on 31.03.2015		5,978,396	2.57	5,978,396	2.57
2	Life Insurance Corporation of India					
	As on 01.04.2014		7,578,185	3.26	7,578,185	3.26
Less	11.04.2014	Market Sale	(-) 532,653	0.23	7,045,532	3.03
Less	25.04.2014	Market Sale	(-) 5,000	0	7,040,532	3.02
Less	06.06.2014	Market Sale	(-) 13,490	0.01	7,027,042	3.02
Less	25.07.2014	Market Sale	(-) 13,499	0.01	7,013,543	3.01
Less	22.08.2014	Market Sale	(-) 575,336	0.25	6,438,207	2.77
Less	29.08.2014	Market Sale	(-) 205,595	0.09	6,232,612	2.68
Less	05.09.2014	Market Sale	(-) 250,000	0.11	5,982,612	2.57

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Less	12.09.2014	Market Sale	(-) 39,069	0.02	5,943,543	2.55
Less	30.09.2014	Market Sale	(-) 2,000	0	5,941,543	2.55
Less	03.10.2014	Market Sale	(-) 3,000	0	5,938,543	2.55
Less	10.10.2014	Market Sale	(-) 614,000	0.26	5,324,543	2.29
Less	17.10.2014	Market Sale	(-) 1,000	0	5,323,543	2.29
Less	23.01.2015	Market Sale	(-) 577,316	0.25	5,900,859	2.53
Less	06.02.2015	Market Sale	(-) 1,430	0	5,899,429	2.53
Less	13.02.2015	Market Sale	(-)39,000	0.02	5,860,429	2.52
Less	27.02.2015	Market Sale	(-) 62,901	0.03	5,797,528	2.49
Less	06.03.2015	Market Sale	(-) 260,370	0.11	5,537,158	2.38
Less	13.03.2015	Market Sale	(-) 337,591	0.15	5,199,567	2.23
Less	20.03.2015	Market Sale	(-) 289,360	0.12	4,910,207	2.11
Less	27.03.2015	Market Sale	(-)47,587	0.02	4,862,620	2.09
	As on 31.03.2015		4,862,620	2.09	4,862,620	2.09
3	Cophall Mauritius Investment Limited					
	As on 01.04.2014		5,565,877	2.39	5,565,877	2.39
Add	04.04.2014	Market Purchase	2,800	0	5,568,677	2.39
Add	18.04.2014	Market Purchase	156,147	0.07	5,724,824	2.46
Less	25.04.2014	Market Sale	(-) 464,097	0.2	5,260,727	2.26
Less	02.05.2014	Market Sale	(-) 200,907	0.09	5,059,820	2.17
Add	16.05.2014	Market Purchase	30,900	0.01	5,090,720	2.19
Less	30.05.2014	Market Sale	(-) 188,553	0.08	4,902,167	2.11
Less	06.06.2014	Market Sale	(-) 112,000	0.05	4,790,167	2.06
Less	13.06.2014	Market Sale	(-) 218,939	0.09	4,571,228	1.96
Less	30.06.2014	Market Sale	(-) 362,439	0.16	4,208,789	1.81
Less	04.07.2014	Market Sale	(-) 208,298	0.09	4,000,491	1.72
Less	25.07.2014	Market Sale	(-) 85	0	4,000,406	1.72
Less	01.08.2014	Market Sale	(-) 266,260	0.11	3,734,146	1.6
Add	08.08.2014	Market Purchase	7,672	0	3,741,818	1.61
Less	15.08.2014	Market Sale	(-) 551	0	3,741,267	1.61
Add	22.08.2014	Market Purchase	5,795	0	3,747,062	1.61
Less	29.08.2014	Market Sale	(-) 17981	0.01	3,729,081	1.6
Less	12.09.2014	Market Sale	(-) 52,245	0.02	3,676,836	1.58
Less	19.09.2014	Market Sale	(-) 291,502	0.13	3,385,334	1.45
Add	30.09.2014	Market Purchase	246,995	0.11	3,632,329	1.56
Add	24.10.2014	Market Purchase	140,000	0.06	3,772,329	1.62
Add	30.10.2014	Market Purchase	40,926	0.02	3,813,255	1.64
Add	07.11.2014	Market Purchase	6,500	0	3,819,755	1.64
Add	14.11.2014	Market Purchase	141,250	0.06	3,961,005	1.7
Less	21.11.2014	Market Sale	(-) 71052	0.03	3,889,953	1.67
Less	28.11.2014	Market Sale	(-) 642966	0.28	3,246,987	1.39
Add	05.12.2014	Market Purchase	420	0	3,247,407	1.39
Less	12.12.2014	Market Sale	(-) 378,055	0.16	2,869,352	1.23
Less	19.12.2014	Market Sale	(-) 9,430	0	2,859,922	1.23

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Less	31.12.2014	Market Sale	(-) 3,500	0	2,856,422	1.23
Less	09.01.2015	Market Sale	(-) 10,534	0	2,845,888	1.22
Add	16.01.2015	Market Purchase	7,760	0	2,853,648	1.23
Add	23.01.2015	Market Purchase	8,000	0	2,861,648	1.23
Add	30.01.2015	Market Purchase	13,211	0.01	2,874,859	1.23
Add	06.02.2015	Market Purchase	167,269	0.07	3,042,128	1.31
Less	20.02.2015	Market Sale	(-) 65,595	0.03	2,976,533	1.28
Less	27.02.2015	Market Sale	(-) 133,567	0.06	2,842,966	1.22
Less	06.03.2015	Market Sale	(-) 186,798	0.08	2,656,168	1.14
Less	13.03.2015	Market Sale	(-) 17,909	0.01	2,638,259	1.13
Add	20.03.2015	Market Purchase	90,777	0.04	2,729,036	1.17
Add	27.03.2015	Market Purchase	47,132	0.02	2,776,168	1.19
	As on 31.03.2015		2,776,168	1.19	2,776,168	1.19
4	Gagandeep Credit Capital Pvt. Ltd.					
	As on 01.04.2014		3,418,062	1.47	3,418,062	1.47
Less	30.06.2014	Market Sale	(-) 200,000	0.09	3,218,062	1.38
Less	29.08.2014	Market Sale	(-) 408,000	0.18	2,810,062	1.21
	As on 31.03.2015		2,810,062	1.21	2,810,062	1.21
5	The New India Assurance Company Ltd					
	As on 01.04.2014		3,204,879	1.38	3,204,879	1.38
Less	25.04.2014	Market Sale	(-) 10,000	0	3,194,879	1.37
Less	16.05.2014	Market Sale	(-) 58,520	0.03	3,136,359	1.35
Less	23.05.2014	Market Sale	(-) 99,555	0.04	3,036,804	1.3
Less	30.05.2014	Market Sale	(-) 25,000	0.01	3,011,804	1.29
Less	08.08.2014	Market Sale	(-) 27,700	0.01	2,984,104	1.28
Less	15.08.2014	Market Sale	(-) 30,000	0.01	2,954,104	1.27
Less	22.08.2014	Market Sale	(-) 33,533	0.01	2,920,571	1.25
Less	29.08.2014	Market Sale	(-) 65,000	0.03	2,855,571	1.23
Less	05.09.2014	Market Sale	(-) 43,767	0.02	2,811,804	1.21
Less	12.09.2014	Market Sale	(-) 41,774	0.02	2,770,030	1.19
Less	19.09.2014	Market Sale	(-) 17,000	0.01	2,753,030	1.18
Less	30.09.2014	Market Sale	(-) 11,862	0.01	2,741,168	1.18
Less	03.10.2014	Market Sale	(-) 10,000	0	2,731,168	1.17
Less	14.11.2014	Market Sale	(-) 24,758	0.01	2,706,410	1.16
Less	21.11.2014	Market Sale	(-) 43,205	0.02	2,663,205	1.14
Less	28.11.2014	Market Sale	(-) 28,500	0.01	2,634,705	1.13
Less	05.12.2014	Market Sale	(-) 3,537	0	2,631,168	1.13
Less	12.12.2014	Market Sale	(-) 20,000	0.01	2,611,168	1.12
Less	16.01.2015	Market Sale	(-) 30,000	0.01	2,581,168	1.11
Less	23.01.2015	Market Sale	(-) 38,750	0.02	2,542,418	1.09
Less	30.01.2015	Market Sale	(-) 40,000	0.02	2,502,418	1.07
Less	06.02.2015	Market Sale	(-) 14,170	0.01	2,488,248	1.07
Less	13.02.2015	Market Sale	(-) 28,476	0.01	2,459,772	1.06

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Less	20.02.2015	Market Sale	(-) 20,000	0.01	2,439,772	1.05
Less	27.02.2015	Market Sale	(-) 17,500	0.01	2,422,272	1.04
Less	06.03.2015	Market Sale	(-) 30,000	0.01	2,392,272	1.03
Less	13.03.2015	Market Sale	(-) 30,000	0.01	2,362,272	1.01
Less	20.03.2015	Market Sale	(-) 89,004	0.04	2,273,268	0.98
Less	27.03.2015	Market Sale	(-) 28,000	0.01	2,245,268	0.96
Less	31.03.2015	Market Sale	(-) 2,996	0	2,242,272	0.96
	As on 31.03.2015		2,242,272	0.96	2,242,272	0.96
6	Sudarshan Securities Private Limited					
	As on 01.04.2014		3,140,216	1.35	3,140,216	1.35
	As on 31.03.2015		3,140,216	1.35	3,140,216	1.35
7	AGF Emerging Markets Fund					
	As on 01.04.2014		2,265,884	0.97	2,265,884	0.97
Less	04.04.2014	Market Sale	(-) 26,000	0.01	2,239,884	0.96
Less	18.04.2014	Market Sale	(-) 151,841	0.07	2,088,043	0.9
Less	25.04.2014	Market Sale	(-) 718,102	0.31	1,369,941	0.59
Less	02.05.2014	Market Sale	(-) 281,757	0.12	1,088,184	0.47
Less	09.05.2014	Market Sale	(-) 11,700	0.01	1,076,484	0.46
Less	30.05.2014	Market Sale	(-) 13,200	0.01	1,063,284	0.46
Less	13.06.2014	Market Sale	(-) 7,200	0	1,056,084	0.45
Less	20.06.2014	Market Sale	(-) 5,600	0	1,050,484	0.45
Less	30.06.2014	Market Sale	(-) 5,600	0	1,044,884	0.45
Less	04.07.2014	Market Sale	(-) 9,100	0	1,035,784	0.44
Add	25.07.2014	Market Purchase	10,900	0	1,046,684	0.45
Add	15.08.2014	Market Purchase	5,400	0	1,052,084	0.45
Less	05.09.2014	Market Sale	(-) 7,400	0	1,044,684	0.45
Less	12.09.2014	Market Sale	(-) 11,400	0	1,033,284	0.44
Less	10.10.2014	Market Sale	(-) 4,700	0	1,028,584	0.44
Add	24.10.2014	Market Purchase	18,000	0.01	1,046,584	0.45
Less	31.10.2014	Market Sale	(-) 15,400	0.01	1,031,184	0.44
Less	28.11.2014	Market Sale	(-) 8,700	0	1,022,484	0.44
Less	12.12.2014	Market Sale	(-) 6,346	0	1,016,138	0.44
Less	19.12.2014	Market Sale	(-) 6,300	0	1,009,838	0.43
Less	31.12.2014	Market Sale	(-) 6,400	0	1,003,438	0.43
Less	16.01.2015	Market Sale	(-) 4,700	0	998,738	0.43
Less	23.01.2015	Market Sale	(-) 58,955	0.03	939,783	0.4
Less	30.01.2015	Market Sale	(-) 5,964	0	933,819	0.4
Less	13.02.2015	Market Sale	(-) 6,839	0	926,980	0.4
Less	27.02.2015	Market Sale	(-) 18,792	0.01	908,188	0.39
Less	13.03.2015	Market Sale	(-) 6,623	0	901,565	0.39
Less	27.03.2015	Market Sale	(-) 8,759	0	892,806	0.38
	As on 31.03.2015		892,806	0.38	892,806	0.38

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	ICICI Prudential Discovery Fund				
	As on 01.04.2014	1,767,480	0.76	1,767,480	0.76
	As on 31.03.2015	1,767,480	0.76	1,767,480	0.76
9	Nemish S Shah				
	As on 01.04.2014	1,600,000	0.69	1,600,000	0.69
	As on 31.03.2015	1,600,000	0.69	1,600,000	0.69
10	Gagandeep Credit Capital Pvt. Ltd.				
	As on 01.04.2014	1,571,500	0.68	1,571,500	0.68
	As on 31.03.2015	1,571,500	0.68	1,571,500	0.68

v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of Directors:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. B. N. Kalyani				
	As on 01.04.2014	39,025	0.02	39,025	0.02
	As on 31.03.2015	39,025	0.02	39,025	0.02
2	Mr. Amit B. Kalyani				
	As on 01.04.2014	350,200	0.15	350,200	0.15
	As on 31.03.2015	350,200	0.15	350,200	0.15
3	Mr. P. H. Ravikumar				
	As on 01.04.2014	2,217	-	2,217	-
Add	22.08.2014 (Market Purchase)	500	-	2,717	-
	As on 31.03.2015	2,717	-	2,717	-
4	Mr. S. M. Thakore				
	As on 01.04.2014	24,650	0.01	24,650	0.01
Less	06.02.2015 (Market Sale)	10,650	-	14,000	0.01
	As on 31.03.2015	14,000	0.01	14,000	0.01
5	Mr. G. K. Agarwal				
	As on 01.04.2014	2,455	-	2,455	-
	As on 31.03.2015	2,455	-	2,455	-
6	Mr. B. P. Kalyani				
	As on 01.04.2014	3,130	-	3,130	-
	As on 31.03.2015	3,130	-	3,130	-

Mr. K. M. Saletore, Executive Director & CFO and Mr. Anand Daga, Vice President (Legal) & Company Secretary do not hold any shares of the Company at the beginning of the year as well as at the end of the year. They have neither acquired any shares nor sold any shares during the year under review.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹ Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at April 1, 2014				
i) Principal Amount	8,769.70	11,173.45	0.04	19,943.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	165.39	104.08	-	269.47
Total (i+ii+iii)	8,935.09	11,277.53	0.04	20,212.66
Change in Indebtedness during the financial year*				
Addition	103.29	3,588.10	-	3,691.39
(Reduction)	(5,403.88)	(336.07)	-	(5,739.95)
Net Change	(5,300.59)	3,252.03	-	(2,048.56)
Indebtedness as at March 31, 2015				
i) Principal Amount	3,534.15	14,439.81	0.04	17,974.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	100.35	89.75	-	190.10
Total (i+ii+iii)	3,634.50	14,529.56	0.04	18,164.10

*includes exchange difference and interest movement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

(In ₹ Million)

Sr. No.	Particulars of Remuneration	Name of the Managing Director/Whole-time Director/Manager						Total Amount
		Mr. B. N. Kalyani Chairman & Managing Director	Mr. G. K. Agarwal Deputy Managing Director	Mr. Amit B. Kalyani Executive Director	Mr. B. P. Kalyani Executive Director	Mr. S. E. Tandale Executive Director	Mr. K. M. Saletore Executive Director *	
1.	Gross Salary							
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	40.43	25.26	24.97	11.77	13.40	10.53	126.36
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	16.08	3.32	2.95	1.40	1.36	0.80	25.91
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission:	120.00	24.00	24.00	24.00	25.00	17.00	234.00
	- As a % of Net Profit	1.67%	0.33%	0.33%	0.33%	0.35%	0.24%	3.25%
	- others, specify	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-
Total A		176.51	52.58	51.92	37.17	39.76	28.33	386.27
	Ceiling as per the Act							1,091.23

* Mr. K. M. Saletore has joined the Company as Group Chief Financial Officer from November 18, 2011 and additionally got appointed as Chief Financial Officer (CFO) of the Company from August 1, 2014. On February 2, 2015, Mr. Saletore was appointed as Executive Director & CFO of the Company. The salary paid to Mr. Saletore is for the full year 2014-15 in various capacities.

B. Remuneration to other Director

(In ₹ Million)

Sr. No.	Particulars of Remuneration	Name of Directors										Total Amount
		Mr. S. M. Thakore	Mr. P. G. Pawar	Mrs. Lalita D. Gupte	Mr. P. H. Ravikumar	Mr. Alan Spencer**	Mr. Naresh Narad	Mr. T. Mukherjee	Mr. Vimal Bhandari	Mr. P. C. Bhalerao*	Mr. S. K. Chaturvedi*@	
1.	Independent Directors / other non-executive Directors											
	- Fee for attending board /committee meetings	0.50	0.57	0.23	0.45	0.05	0.20	0.20	0.07	0.28	0.10	2.65
	- Commission	1.40	1.85	0.90	1.60	-	0.90	0.90	1.00	1.05	0.40	10.00
	- Others, please specify	-	-	-	-	-	-	-	-	-	-	-
Total B												12.65
Total Managerial Remuneration (A) + (B)												398.92
Overall ceiling as per the Act												1,200.35

* Non-Executive Director

** Ceased to be a Director w.e.f May 27, 2014

@ Ceased to be a Director w.e.f March 31, 2015

C. Remuneration to Key Managerial Personnel other than the Managing Director/Whole-time Director/Manager

(In ₹ Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. K. M. Saletore #	Mr. S. G. Joglekar #	Mr. Anand Daga @	Mr. P. S. Vaishampayan @	
1.	Gross Salary					
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	14.84	1.98	1.86	18.68
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.43	0.06	0.15	0.64
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission:	-	-	-	-	-
	- As a % of Net Profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
Total		-	15.27	2.04	2.01	19.32

Mr. K. M. Saletore was appointed as Chief Financial Officer of the Company with effect from August 1, 2014 due to resignation of Mr. S. G. Joglekar from the services of the Company effective from July 31, 2014. For salary details of Mr. Saletore please refer to point no. A herein above.

@ Mr. Anand Daga was appointed as Vice President - Legal & Company Secretary of the Company with effect from September 26, 2014 due to resignation of Mr. P. S. Vaishampayan from the services of the Company effective from September 25, 2014.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Nomination and Remuneration Policy

The Board of Directors of Bharat Forge Limited ("the Company") constituted the "Nomination and Remuneration Committee" ("Committee") at the Meeting held on May 27, 2014 with immediate effect, consisting of four (4) Non-Executive Directors of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "KMP") and Senior Management.
- 1.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3 To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 1.4 To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6 To devise a policy on Board diversity.
- 1.7 To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company.
- 2.4 **Key Managerial Personnel (KMP)** means
 - 2.4.1 Chairman and Managing Director
 - 2.4.2 Executive Directors;
 - 2.4.3 Chief Financial Officer; and
 - 2.4.4 Company Secretary;
- 2.5 **Listing Agreement** means Agreement, as amended from time to time, executed with Stock Exchanges for Listing of Securities of the Company.
- 2.6 **Senior Management** means personnel of the Company who are members of its core management team being functional heads not below grade of Senior Vice President.

3. ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2 Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2 Policy for appointment and removal of Director, KMP and Senior Management

3.2.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

3.2.3 Evaluation

The Committee shall carry out yearly evaluation of performance of every Director, KMP and Senior Management Personnel.

3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1 General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) In case any difficulty or doubt arises in the interpretation or implementation of this Policy, the decision of the Chairman & Managing Director of the Company shall be final. In exceptional circumstances, the Chairman & Managing Director shall be authorized to exercise functions vested in the committee in so

far as these relate to Key Managerial Personnel covered under Clauses 2.4.3, 2.4.4 and the Senior Management; provided however that such actions taken by the Chairman & Managing Director shall be placed before the Committee for ratification in the succeeding meeting.

3.3.2 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3 Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000/- (Rupees One Lac Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of

appointment in accordance with the Guidelines provided under the Act;

- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Annexure "C"

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 arms length transactions under third proviso thereto

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

a.	Name(s) of the related party and nature of relationship	Nil
b.	Nature of contracts/arrangements/transactions	Nil
c.	Duration of the contracts/arrangements/transactions	Nil
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e.	Justification for entering into such contracts or arrangements or transactions	Nil
f.	date(s) of approval by the Board	Nil
g.	Amount paid as advances, if any	Nil
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

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

a.	Name(s) of the related party and nature of relationship	Kalyani Carpenter Special Steels Limited	Bharat Forge International Limited	Kalyani Steels Limited
b.	Nature of contracts/arrangements/transactions	Purchase of Raw Material – Specialty Steel, Sale of Scrap, Job Work, leasing etc.	Sale of Goods, etc.	Purchase of Raw Material-Steel, Sale of Scrap etc.
c.	Duration of the contracts/arrangements/transactions	On ongoing basis from April 1, 2014.	On ongoing basis from April 1, 2014.	On ongoing basis from April 1, 2014.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters. Estimated annual value of ₹ 20,000 Million.	In tune with market parameters. Estimated annual value of ₹ 30,000 Million	In tune with market parameters. Estimated annual value of ₹ 20,000 Million.
e.	Date(s) of approval by the Board, if any	May 27, 2014	May 27, 2014	May 27, 2014
f.	Amount paid as advances, if any	Nil	Nil	Nil

For Bharat Forge Limited

B. N. KALYANI
Chairman and Managing Director

Annexure "D"

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, 2015.

A. Conservation of Energy**i) Steps taken for Conservation of Energy:**

- i. Introduction of new combustion systems for increased efficiency of furnaces.
- ii. Systematic maintenance and proper sealing of furnaces.
- iii. Replacement of old switch-gear by new technology switch-gear with less loss.
- iv. Replacing old illumination systems with new high efficiency system and LED to get high lumens per watt and decreasing height of illumination fixtures.
- v. Air Leakage test on weekly offs and arresting leakages to reduce air consumption.
- vi. Analysis of Power quality to detect issues related to Electrical impurities such as Harmonics, Voltage surges etc.
- vii. Eliminate the need of circulation pumps by using gravitational force on return lines.
- viii. Reduce the voltage level for lighting and air conditioning application and using Synchronous Timers to switch the pumps to reduce the Energy consumption.

ii) Steps taken for utilising alternate source of energy:

Significant part of our energy requirement is generated through Wind energy that is fed to grid. We have following installation of Windmills:

- i. Kadve - Khurd, District Satara, Maharashtra of 4.2 MW;
- ii. Shedyal Village, District Sangli, Maharashtra of 4 MW; and
- iii. Tithwa Village, District Rajkot, Gujrat of 12 MW;

iii) The Capital investment on energy conservation equipment:

Your Company made capital investments amounting to ₹ 85.8 Million during the financial year 2014-15 on energy conservation equipments, which will result in saving of ₹ 40 Million annually.

B. Technology Absorption:**i) Efforts made towards technology absorption:**

- Additive manufacturing for metals.
- Development of precision forging (Near net shape forging).
- Technology development for Aerospace forging.
- Technology development for cold and precision forging.

Technical Papers:

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

- i) "Modeling of microstructure and mechanical properties of heat treated components by using Artificial Neural Network", International Journal of Materials Science and Engineering 2014.
- ii) "Effect of beta solution treatment on machinability of Ti6Al4V", NMD ATM 2014.
- iii) "Development of ultra clean steel for automotive applications", NMD ATM 2014.
- iv) "Effect of Fatigue Strength and Crack Growth Rate at different stress ratio on 38mnvs6 Micro alloyed Steel used for Forged Crankshafts", International Journal of Engineering Research & Technology (IJERT) 2014.
- v) "Control of end defects in open die forging using FE method", NMD ATM 2014.
- vi) "Effect of hot top geometries on solidification behaviour of low alloy steel ingot", NMD ATM 2014.
- vii) "Influence of superheat on porosity in continues casting of micro alloyed steel bloom", NMD ATM 2014.
- viii) "The microstructural evolution of Ti6Al4V alloy during annealing treatment", NMD ATM 2014.
- ix) "Process design and control to achieve higher strength and toughness simultaneously for Ni-Cr-MO steel", NMD ATM 2014.
- x) "Effect of steel hardenability on distortion using navy C ring technique", NMD ATM 2014.

IP Generation:

Seven patents applications were filed.

ii) The benefits derived like product improvement, cost reduction, product development, import substitution:

- Product improvement by way of light weighting and better fatigue strength.
- New processes developed.
- First time Quality with reduced development cycle time for new part development.
- Improved die life.
- Customer satisfaction and new business opportunities.

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
Technology development on precision gears	2013	In progress	Two parts taken for establishment. Initial trials completed.
Additive manufacturing with metals	2014	In progress	Trials for part establishment is in progress

iv) **Expenditure on Research and Development:**

		In ₹ Million
Sr. No.	Particulars	Amount
i)	Capital	137.28
ii)	Recurring	284.07
iii)	Total R&D expenditure	421.35
iv)	TOTAL INCOME	46,413.69
v)	Total R&D expenditure as a percentage of total income	0.91%

C. Foreign Exchange Earnings and Outgo:

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:
- i) Company has made significant inroads into the Passenger Car segment by getting new business awards from global OEMs.
 - ii) Increased penetration in North American Truck market for current and new programs.
 - iii) In its efforts towards broadening product portfolio, Company has entered into new area – Fuel and Emission systems
 - iv) Company is working diligently towards consolidation of its existing business and grow with new customers in Oil & Gas segment.
- (b) Total foreign exchange earnings and outgo for the financial year is as follows:
- i) Total Foreign Exchange earning: ₹ 27,496.41 Million.
 - ii) Total Foreign Exchange outgo: ₹ 3,160.30 Million.

Annexure "E"

ANNUAL REPORT ON CSR ACTIVITIES

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

The Board of Directors at its meeting held on May 27, 2014 have adopted the Corporate Social Responsibility (CSR) policy of the Company. Eligible funds for CSR activities in each financial year will be expended in the areas of Education, Skill Development, Vocational Training, Sustainability, Environment, Health, Ecological Protection, Sports and Rural Development through one or more implementing agencies/trusts. These CSR activities will be carried out through various programmes or projects as specified in the CSR Policy. The CSR policy of the Company has been displayed on the Company's website at the link - <http://bharatforge.com/images/PDFs/policies/BFL%20CSR%20Policy-Signed.pdf>

Details of expenditure on CSR activities is as follows:

(In ₹ Million)

Average net profit of the Company for the financial years 2011-2012, 2012-2013 and 2013-2014	3,558.63
Prescribed CSR expenditure (2% of the average net profit computed above)	71.17
Total amount spent on CSR activities for the financial year 2014-2015	112.31
Amount unspent, if any	Nil

Manners in which amount spent the financial year is detailed below :

(In ₹ Million)

Sr. No.	CSR Projects/ Activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs.	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	i. Kalyani School	Education	Pune, Maharashtra	100.00	103.45	103.45	Through implementing agency
	ii. Pratham Education Foundation	Education	Pune, Maharashtra	3.45	1.28	1.28	Through implementing agency
	iii. Pradnya Vikas Program – Janana Prabodhini	Education	Pune, Maharashtra	0.70	0.70	0.70	Through implementing agency
	iv. Various Educational Initiatives- Vidyarthi Sahayak Samiti, Nanhi Kali & Affirmative Action of CII.	Education	Pune, Maharashtra	0.70	0.70	0.70	Through implementing agency
	v. School Adoption - Infrastructural Development & Mission Sanitation of School	Education	Pune, Maharashtra	8.00	1.56	1.56	Directly
2.	ITI Khed	Employment enhancing vocational skills	Pune, Maharashtra	6.10	2.22	2.22	Directly
3.	Community development centre	Community Development & Women Empowerment	Pune, Maharashtra	1.10	0.46	0.46	Directly

Sr. No.	CSR Projects/ Activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs.	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
4.	Health check-up camps	Healthcare	Pune, Maharashtra	0.23	0.24	0.24	Directly
5.	Rain water harvesting	Environmental sustainability	Pune, Maharashtra	0.18	0.12	0.12	Directly
6.	Lakshya – Sports initiatives	Promotion of rural sports	Pune, Maharashtra	2.10	1.21	1.21	Through implementing agency
7.	Queen Mary's Technical Institute (QMTI) for Disabled Soldiers	Benefit for armed forces	Pune, Maharashtra	0.20	0.25	0.25	Directly
8.	Other incidental expenditure (Overhead)	-	-	0.20	0.12	0.12	Directly

The Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

B. N. KALYANI

Chairman & Managing Director

P. G. PAWAR

Chairman, CSR Committee

ANNEXURE TO BOARD REPORT- Annexure "F"

Sr. No.	Name of the Director/Key Managerial Personnel	Designation	Ratio of remuneration of each director to the median remuneration of the employees of the Company	% Increase/(decrease) in the Remuneration
1	Mr. B. N. Kalyani	Chairman & Managing Director	351.61	41%
2	Mr. S. M. Thakore	Independent Director	3.78	34%
3	Mr. P. G. Pawar	Independent Director	4.83	27%
4	Mr. P. C. Bhalerao	Non-executive Director	2.64	22%
5	Mrs. Lalita D. Gupte	Independent Director	2.24	22%
6	Mr. P. H. Ravikumar	Independent Director	4.08	25%
7	Mr. Naresh Narad	Independent Director	2.19	20%
8	Dr. T. Mukherjee	Independent Director	2.19	20%
9	Mr. G. K. Agarwal	Executive Director	104.75	29%
10	Mr. Amit B. Kalyani	Executive Director	103.43	29%
11	Mr. B. P. Kalyani	Executive Director	74.05	22%
12	Mr. S. E. Tandale	Executive Director	79.20	21%
13	Mr. S. K. Chaturvedi*	Non-executive Director	1.00	(98%)
14	Mr. Vimal Bhandari	Independent Director	2.14	111%
15	Mr. K. M. Saletore#	Executive Director & CFO	56.24	34%
16	Mr. Anand Daga@	Company Secretary	N.A.	-

Notes:

*Mr. S. K. Chaturvedi was Executive Director till December 31, 2013 and ceased to a Director with effect from March 31, 2015

#Mr. K. M. Saletore has joined the Company as Group Chief Financial Officer from November 18, 2011 and additionally got appointed as Chief Financial Officer (CFO) of the Company from August 1, 2014. On February 2, 2015, Mr. Saletore was appointed as Executive Director & CFO of the Company.

@Mr. Anand Daga, Vice President (Legal) and Company Secretary assumed his office with effect from September 26, 2014. As Mr. Daga has joined during 2014-15, the details of increase in remuneration are not determinable, as comparative numbers are not available.

Annexure "G"

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

Statement under Section 197 (12) of the Companies Act, 2013, read with the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015.

1. Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 6,000,000/- per annum

Sr. No.	Name of the employee	Remuneration received (₹)	Nature of employment	Qualification	Experience (Years)	Date of commencement of employment	Age	Last employment	Percentage of equity shares held	Whether any such employee is relative of any Director and if so name of such Director
1	Mr. B. N. Kalyani	131,524,439	Permanent Employee	B.E. (Mech.) (Hons), MS (M.I.T.)	43	01.04.1972	66	-	0.02	Father of Mr. Amit B. Kalyani
2	Mr. Amit B. Kalyani	42,934,441	Permanent Employee	B.E.(M)	16	24.10.1999	40	Carpenter Technology	0.15	Son of Mr. B. N. Kalyani
3	Mr. G.K. Agarwal	43,599,192	Permanent Employee	B.E.(Mech.), M.B.A.,	42	01.11.1976	64	Guest Keen Williams Ltd, Howrah	0.001	None
4	Mr. B.P. Kalyani	32,187,750	Permanent Employee	B.E.(P), MBA, MS	33	02.08.1982	53	-	0.001	None
5	Mr. S.E. Tandale	34,774,641	Permanent Employee	B.E.(M)	24	01.08.1991	46	-	-	None
6	Mr. K. M. Saletore	22,163,204	Permanent Employee	B.Com., C.A., PGDM	27	18.11.2011	49	Tata Realty & Infrastructure Ltd.	-	None
7	Mr. Bhavin Kirit Shah	12,220,865	Permanent Employee	B.Com., M.B.A.	23	04.01.2010	45	Mundra Port and Special Economic Zone Ltd. Mundra	-	None
8	Mr. D R Moorthy	14,932,849	Permanent Employee	B.Sc., LL.B.	39	29.04.1987	63	Buckau Wolf India Ltd., Pune	-	None
9	Mr. M. U. Takale	19,818,908	Permanent Employee	B.E.(Mech.), MBA, MS	33	02.11.1982	55	-	-	None
10	Mr. M. V. Mavliankar	8,722,681	Permanent Employee	B.Tech., M.S.	40	03.05.2004	63	Anand Technology Ltd., Bangalore	-	None
11	Mr. S B Pustake	9,160,893	Permanent Employee	B.E. (Met.)	36	09.04.2009	58	S.E. Forge Ltd., Gujarat	-	None
12	Mr. Sandeep Kapoor	9,408,583	Permanent Employee	B.Com., C.A., M.B.A.	27	07.12.2011	54	Escorts Ltd., Faridabad	-	None
13	Mr. V. M. Munje	8,869,024	Permanent Employee	B.Com., LL.B., F.C.S., Diploma in IP, WIPO Geneva.	21	25.07.2011	46	Tata Services Ltd., Mumbai	-	None
14	Mr. K. Chetan	7,742,447	Permanent Employee	M.E.	28	31.03.2005	53	Delphi Automotive Systems, Bangalore	-	None

Sr. No.	Name of the employee	Remuneration received (₹)	Nature of employment	Qualification	Experience (Years)	Date of commencement of employment	Age	Last employment	Percentage of equity shares held	Whether any such employee is relative of any Director and if so name of such Director
15	Mr. R. S. Bhatia	10,799,749	Permanent Employee	B.E.(Civil), PGDBA (Symbiosis), MMS	41	03.05.2010	60	Larsen & Toubro Ltd., Powai, Mumbai	-	None
16	Mr. O. P. Maken	8,252,994	Permanent Employee	B.Sc (Mech. Engg.)	38	01.02.2012	63	NTPC Limited, New Delhi	-	None
17	Mr. D. R. Veerraghavan	13,135,047	Permanent Employee	B. Tech. (Aeronautical Engg.)	34	15.04.2013	56	Navit Motors Pvt. Ltd.	-	None
18	Mr. HKN Swamy	6,608,972	Permanent Employee	B.E.(Mech. Engg.)	45	18.01.1995	67	HMT Ltd., Bangalore	-	None
19	Mr. Sanjeev Pargoankar	7,028,827	Permanent Employee	B.E.(Mech. Engg.)	34	15.09.2005	56	Sharp India Ltd., Pune	-	None
20	Dr. Santosh V. Bhawe	6,173,893	Permanent Employee	M.P.M., LL.B., L.L.M., Ph.d.	36	06.03.2006	58	Emcure Pharmaceuticals Ltd., Pune	-	None
21	Mr. Kultar Singh Makarh	6,913,302	Permanent Employee	B.E.(Mech. Engg.)	27	11.04.2005	49	Bajaj Auto Ltd., Aurangabad	-	None
22	Mr. S. G. Joglekar *	15,265,493	Permanent Employee	B.Com., C.A.	34	14.11.1999	58	Tiger Steels Ltd., Mumbai	-	None
23	Mr. M. S. Sapre *	8,070,867	Permanent Employee	B.Com., C.A.	35	07.03.2005	59	Kalyani Carpenter Special Steels Ltd., Pune	-	None

Notes :

1. Remuneration shown above includes Salary, Company's contribution towards Provident Fund and Superannuation Scheme, Allowance, Perquisites but excludes Gratuity unless paid/payable.
2. The nature of employment in case of Chairman & Managing Director, Deputy Managing Director and Executive Directors is contractual and terms of remuneration are governed under the Board and Members' resolution.
3. None of the above employee/Directors is related to any of the Directors, except Mr. Amit B. Kalyani, who is son of Mr. B. N. Kalyani, Chairman & Managing Director of the Company.
4. Experience includes number of years of service elsewhere, wherever applicable.

* Employed for part of the year and were in receipt of remuneration at the rate of not less ₹ 5,00,000/- per month.

Annexure "H"

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2015
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bharat Forge Limited
Mundhawa, 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 (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 authorized 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, 2015 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 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (in so far as they are made applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (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, Overseas Direct Investment and External Commercial Borrowings;

- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not

applicable to the Company during the Audit Period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as on date of this Report).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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.

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 the Company has:-

- i) Redeemed first Installment of 33.33% of 2500 - 11.95% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000 each at par on 5th January, 2015.
- ii) Redeemed first Installment of 35% of 1760 - 10.75% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000 each at par on 28th April, 2014.
- iii) Redeemed second and third (last) Installment of 50% and 25% respectively of 3500 - 10.75% Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000 each at par on September 22, 2014 and March 22, 2015 respectively.

Place: Pune
Date: May 20, 2015

For SVD & Associates
Company Secretaries

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

Independent Auditor's Report

To the Members of Bharat Forge Limited

Report on the financial statements

We have audited the accompanying standalone financial statements of Bharat Forge Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the 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 March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 purpose 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;
 - (c) The balance sheet, statement of profit and loss, and cash flow statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 35 to the financial statements;
 - ii. 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 2.1(t) and note 8 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arvind Sethi
 Partner
 Membership No.: 89802
 Place of Signature: Pune
 Date: May 20, 2015

Independent Auditor's Report

Annexure 1: referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Bharat Forge Limited ("the Company")

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- iii. (a) The Company has granted unsecured loan to one party covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand and payment of interest has been regular.
(b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. The Company has not accepted any deposits from the public. Therefore, in our opinion, the provisions of clause (v) of the Order are not applicable to the Company. 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 deposit amounting to ₹ 0.04 Million including interest thereon subject to litigation.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of forged products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, value added tax, customs duty, property tax, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Demand received from various cases (₹ 23.39 Million paid under protest)	47.23	A.Y. 2006 to 2015	Commissioner appeals/CESTAT
Central Excise Act, 1944	Demand received from various cases (₹ 4.85 Million paid under protest)	126.44	A.Y. 2004 to 2015	Commissioner appeals/CESTAT
Property tax	Demand received from various cases (₹ 223.26 Million paid under protest)	108.92	A.Y. 2005 to 2015	High Court
Income tax Act, 1961	Non deduction of withholding taxes u/s 195 (₹ 54.92 Million paid under protest)	-	A.Y. 2013 to 2014	CIT Appeals

- (d) According to the information and explanations given to us, other than the unclaimed dividend amount subject to litigation, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- viii. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- x. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- xi. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arvind Sethi
 Partner
 Membership No.: 89802
 Place of Signature: Pune
 Date: May 20, 2015

Balance sheet

 as at March 31, 2015

In ₹ Million

	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' Funds			
Share capital	3	465.68	465.68
Reserves and surplus	4	34,491.06	26,467.40
		34,956.74	26,933.08
Non-current liabilities			
Long-term borrowings	5	15,744.88	13,599.95
Deferred tax liabilities (net)	6	1,639.13	1,791.03
Other long-term liabilities	7	5.32	4.67
Long-term provisions	8	322.76	303.27
		17,712.09	15,698.92
Current liabilities			
Short-term borrowings	9	779.83	1,070.15
Trade payables	10	6,286.20	5,624.97
Other current liabilities	10	2,498.90	6,616.43
Short-term provisions	8	1,523.98	1,041.48
		11,088.91	14,353.03
	TOTAL	63,757.74	56,985.03
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11.1	19,501.26	20,207.53
Intangible assets	11.2	59.65	46.81
Capital work-in-progress		2,076.76	1,314.02
Non-current investments	12	6,487.90	5,703.52
Long-term loans and advances	13	1,846.98	1,516.91
Other non-current assets	14	232.48	261.43
		30,205.03	29,050.22
Current assets			
Current investments	15	4,549.46	7,705.40
Inventories	16	5,371.81	5,084.10
Trade receivables	17	5,594.65	5,252.14
Cash and bank balances	18	5,918.12	2,516.62
Short-term loans and advances	13	4,744.04	3,465.77
Other current assets	14	7,374.63	3,910.78
		33,552.71	27,934.81
	TOTAL	63,757.74	56,985.03
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

For and on behalf of the Board of Directors

per ARVIND SETHI

Partner

Membership No. 89802

B. N. KALYANI

Chairman and Managing Director

G. K. AGARWAL

Deputy Managing Director

Place: Pune

Date: May 20, 2015

KISHORE SALETORE

Executive Director & CFO

ANAND DAGA

Company Secretary

Statement of profit and loss

for the year ended March 31, 2015

	Notes	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Income			
Revenue from operations (gross)		47,123.63	35,494.30
Less: excise duty		(1,643.09)	(1,501.57)
Revenue from operations (net)	19	45,480.54	33,992.73
Other income	20	933.15	1,147.00
Total revenue (I)		46,413.69	35,139.73
Expenses			
Cost of raw material and components consumed (Increase)/decrease in inventories of finished goods, work-in-progress and dies	21	17,558.64	14,105.49
Employee benefits expense	22	(159.66)	(367.51)
Depreciation and amortization expense	23	3,319.30	2,788.46
Finance costs	24	2,505.12	2,453.15
Other expenses	25	1,118.35	1,495.72
	26	11,462.43	8,829.50
Total expenses (II)		35,804.18	29,304.81
Profit before exceptional items and tax [(I) - (II)]		10,609.51	5,834.92
Exceptional items	27	(36.32)	123.50
Profit before tax		10,573.19	5,958.42
Tax expenses			
Current tax			
- Pertaining to profit for the year		3,434.00	1,539.00
- Adjustment of tax relating to earlier years		(27.05)	(6.60)
Deferred tax		(23.60)	426.73
Total tax expenses		3,383.35	1,959.13
Profit for the year		7,189.84	3,999.29
Earnings per equity share			
[nominal value of share ₹ 2/-, (March 31, 2014: ₹ 2/-)]	28		
Basic (In ₹)		30.88	17.18
Diluted (In ₹)		30.88	17.18
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

For and on behalf of the Board of Directors

per ARVIND SETHI

Partner

Membership No. 89802

B. N. KALYANI

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G. K. AGARWAL

Deputy Managing Director

Place: Pune

Date: May 20, 2015

KISHORE SALETORE

Executive Director & CFO

ANAND DAGA

Company Secretary

Cash flow statement

 for the year ended March 31, 2015

In ₹ Million

	Year ended March 31, 2015	Year ended March 31, 2014
Cash flow from operating activities		
Profit before tax	10,573.19	5,958.42
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	2,505.12	2,453.15
Unrealized foreign exchange (gain)/loss	398.37	(41.27)
Bad debts and advances written off	58.35	0.44
Loss/(profit) on sale of fixed assets (including exceptional item)	2.32	(424.93)
Provision for diminution in value of investment	290.00	308.14
Provision for expense of earlier year reversed	(294.89)	-
Interest expenses	1,118.35	1,495.72
Provision for doubtful debts and advances written off (net)	32.45	21.99
Loss on sale of non-current investment	41.21	-
Dividend (income) from investments	(402.73)	(393.57)
Net gain on sale of investments	(80.73)	(58.26)
Provisions no longer required written back	(51.62)	(66.25)
Interest (income)	(184.00)	(185.18)
Interest (income) on loan to subsidiaries	(5.76)	(49.81)
Operating profit before working capital changes	13,999.63	9,018.59
Movements in working capital :		
Decrease/(increase) in non-current assets		
(Increase)/decrease in long-term loans and advances	(80.41)	769.68
Decrease/(increase) in other non-current assets	28.95	92.50
(Increase)/decrease in current assets		
(Increase)/decrease in inventories	(287.71)	(327.09)
(Increase)/decrease in trade receivables	(599.13)	(265.81)
(Increase)/decrease in short-term loans and advances	(1,171.05)	(778.21)
(Increase)/decrease in other current assets	(111.88)	(1,126.42)
(Decrease)/increase in non-current liabilities		
Increase/(decrease) in other long-term liabilities	0.65	(2.73)
Increase/(decrease) in long-term provisions	19.49	(29.65)
Increase/(decrease) in current liabilities		
Increase/(decrease) in trade payable	760.38	1,328.08
Increase/(decrease) in other current liabilities	58.58	363.86
Increase/(decrease) in short-term provisions	30.33	9.49
Cash generated from operations	12,647.83	9,052.29
Direct taxes paid (net of refunds)	(3,620.16)	(1,399.70)
Net cash flows from operating activities	(A) 9,027.67	7,652.59
Cash flows from/(used in) investing activities		
Purchase of non-current investments	(1,223.43)	(578.20)
Sale of non-current investments	107.84	-
Investments in mutual funds	(22,184.57)	(16,323.46)
Proceeds from sale/maturity of mutual funds	25,421.24	12,529.31
Purchase of fixed assets including capital work-in-progress and capital advances	(2,889.06)	(1,781.80)
Proceeds from sale of fixed assets	6.48	157.71
Loan given to subsidiaries	(20.00)	(17.18)
Intercorporate deposits given	(180.00)	(10.00)
Proceeds received from loan to wholly owned subsidiaries	-	1,451.65
Investments in bank deposits (having original maturity of more than three months)	(2,832.33)	(1,710.00)
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,840.00	1,420.00
Interest received	169.16	221.69
Dividend received	402.73	393.57
Net cash flows (used in) investing activities	(B) (1,381.94)	(4,246.71)

Cash flow statement

 for the year ended March 31, 2015 (Contd.):

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Cash flows from/(used in) financing activities		
Proceeds from long-term borrowings	3,146.08	3,259.05
Repayment of long-term borrowings (including FCCBs and Debentures)	(5,295.50)	(3,961.41)
Premium paid on redemption of FCCBs	-	(1,224.15)
Proceeds from short-term borrowings	4,531.72	4,352.28
Repayment of short-term borrowings	(4,823.16)	(3,680.68)
Interest expenses	(1,229.52)	(1,516.86)
Dividend including tax thereon	(1,568.89)	(1,202.10)
Net cash flows (used in) financing activities	(C) (5,239.27)	(3,973.87)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 2,406.46	(567.99)
Effects of exchange difference on cash and cash equivalent held in foreign currency	-	0.01
Cash and cash equivalents at the beginning of the year	753.95	1,321.93
Cash and cash equivalents at the end of the year	3,160.41	753.95
Components of cash and cash equivalents [Refer note 18]	As at March 31, 2015	As at March 31, 2014
Cash on hand	1.13	0.70
Balances with banks:		
- on cash credit and current accounts	2,129.27	263.25
- on deposit accounts	1,030.01	490.00
	3,160.41	753.95

Notes :

- The figures in brackets represent outflows/adjustments
- Previous period's figures have been regrouped/reclassified, wherever necessary to conform to current year presentation.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

per ARVIND SETHI

Partner

Membership No. 89802

Place: Pune

Date: May 20, 2015

B. N. KALYANI

Chairman and Managing Director

KISHORE SALETORE

Executive Director & CFO

G. K. AGARWAL

Deputy Managing Director

ANAND DAGA

Company Secretary

For and on behalf of the Board of Directors

Notes to financial statements for the year ended March 31, 2015

1. Corporate information

Bharat Forge Limited ("the Company") is a public Company domiciled in India. Its shares are listed on three stock exchanges in India. The Company is engaged in the manufacturing and selling of forged components. The Company caters to both domestic and international markets. The Company's CIN is L25209PN1961PLC012046.

2. Basis of preparation

These financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with accounting principles generally accepted in India, including the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis under the historical cost convention except for derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policy

Depreciation on fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

i. Useful lives/depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Had the Company continued to use the earlier policy of depreciating fixed asset, the profit for the current period would have been lower by ₹ 129.94 Million (net of tax impact of ₹ 85.77 Million), retained earnings at the beginning of the current period would have been higher by ₹ 64.49 Million (net of tax impact of ₹ 42.57 Million) and the fixed asset would correspondingly have been lower by ₹ 65.05 Million.

ii. Component accounting

The Company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from April 1, 2014. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/depreciation rate was used to depreciate each item of fixed asset.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

a) Change in accounting policy (Contd.):

ii. Component accounting (Contd.):

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 1, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not nil on April 1, 2014, is depreciated over their remaining useful life.

iii. Depreciation on assets costing less than ₹ 5,000/-

Till the year, ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

Had the Company continued to use the earlier policy of depreciating fixed asset, the profit for the current period would have been lower by ₹ 42.44 Million (net of tax impact of ₹ 14.39 Million), retained earnings at the beginning of the current period would have been higher by ₹ 472.98 Million (net of tax impact of ₹ 160.34 Million) and the fixed asset would correspondingly have been higher by ₹ 430.55 Million.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the Company for the current year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

c) Tangible fixed assets (Contd.):

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company 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 difference.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation and amortization on tangible assets

i. Lease hold land:

Premium on leasehold land is amortized on a straight line basis over the period of lease i.e. 95 years.

ii. Power line:

Expenditure on power line is amortized on a straight line basis over a period of six years.

iii. Other fixed assets:

Depreciation on fixed assets is calculated on a straight-line (SLM) basis and written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Type of Assets	Method	Schedule II life (years)	Useful lives estimated by the management (years)	Rates
Building - Factory	SLM	30	30	3.34%
Buildings - Others	SLM	60	60	1.63%
Plant and machinery	SLM	15	10 to 21	4.75%, 7.13%, 9.50%
Plant and machinery - Windmill	SLM	25	19	5.28%
Others (Computers)	WDV	3	3	63.16%
Office equipment	WDV	5	5	45.07%
Railway sidings	SLM	15	10	10.34%
Electrical installation	SLM	10	10	9.50%
Factory equipments	WDV	10	10	9.50%
Furniture and fixtures	WDV	10	10	9.50%
Vehicles	WDV	8	8	11.88%
Aircraft	SLM	20	18	5.67%

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- The useful lives of certain plant and machinery are estimated as 21 years. These lives are higher than those indicated in schedule II.
- Certain plant and machinery, railway sidings and aircrafts are depreciated over the estimated useful lives of 10/19 years, 10 years and 18 years, respectively, which are lower than those indicated in schedule II.

Depreciation on account of increase/decrease due to revaluation of foreign currency loan has been provided at rates of depreciation over the remaining useful life of said assets.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use, are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development expenditure

Research expenditure is charged to revenue under the natural heads of account in the year in which it is incurred.

Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e. the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Tangible fixed assets purchased for research and development, are accounted for in the manner stated in note 2.1(c) above.

The summary of amortization policy applied to the Company's intangible assets is as below:

Type of Asset	Rate (SLM)
Computer software	33.33%

Notes to financial statements for the year ended March 31, 2015 (Contd.):

f) Inventories

Cost of inventories have 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 realizable 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 realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realizable value.

Dies are amortized over their productive life. Expenditure incurred to repair the dies from time to time is charged to statement of profit and loss.

Net realizable 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.

g) Foreign currency translation

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized 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 "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- c. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (a) and (b) above, the Company 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.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

g) Foreign currency translation (Contd.):

iii. Exchange differences (Contd.):

In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company 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 difference.

iv. Options and forward exchange contracts not intended for trading or speculation purposes, classified as derivative instruments.

Pursuant to the announcement made by the Institute of Chartered Accountants of India (ICAI) regarding "Accounting for Derivatives", options and forward exchange contracts are classified as derivatives and are marked to market on a portfolio basis at the balance sheet date. The resultant net losses after considering the offsetting effect on the underlying hedge items are recognized in the statement of profit and loss on the principle of prudence. The resultant net gains, if any, on such derivatives are not recognized in financial statements. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or expense for the year.

h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired or partly acquired, by issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statement at lower of cost of acquisition and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However provision for diminution in value of investments is made to recognize a decline other than temporary in the value of investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i. Sale of goods

- a. Revenue from domestic sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch from the point of sale, consequent to property in goods being transferred. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
- b. Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

i) Revenue recognition (Contd.):

ii. Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim is fulfilled.

iii. Sale of services

Revenues from sales of services are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

iv. Die design and preparation charges

Revenues from die design and preparation charges are recognized as per the terms of the contract as and when services are rendered. The Company collects service tax and value added tax (VAT) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

v. Job work charges

Revenues from job work charges are recognized as per the terms of the contract as and when services are rendered.

vi. Sale of electricity – Windmill

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.

vii. Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

viii. Dividend income

Dividend income is recognized when the Company's right to receive is established by the reporting date.

ix. Profit/loss on sale of investment

Profit/loss on sale of investment is recognized when all the significant risks and rewards of ownership in investment is transferred.

x. Certified emission reduction units/renewal energy certificates

Revenue from certified emission reduction units/renewal energy certificates is recognized when there is reasonable assurance that the entity will comply with the conditions attached to it and the grants will be received. At a minimum, these conditions will only be met when the actual emission reductions have been realized and the entity has reasonable assurance that these reductions will be confirmed during the verification and certification process by the respective independent authority.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

j) Retirement and other employee benefits

i. Provident fund

The Company operates two plans for its employees to provide employee benefit in the nature of 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 guidance note on implementing AS-15 (revised 2005) "Employee Benefits", states that benefits involving employer established provident funds, which requires interest shortfalls to be provided, are to be considered as defined benefit plans.

Actuarial valuation of this provident fund interest shortfall has been done as per the guidance note issued in this respect by the Institute of Actuaries of India.

The employees which are not covered under the above scheme, their portion of provident fund is contributed to the government administered pension fund which is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes 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 recognized 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 recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Gratuity

The Company operates two defined benefits plan for its employees viz. gratuity and special gratuity scheme. Payment for present liability of future payment of gratuity is being made to approved gratuity funds, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. 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. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

iii. Superannuation

Retirement benefit in the form of superannuation plan is a defined contribution plan. Defined contributions to Life Insurance Corporation of India for employees covered under Superannuation scheme are accounted at the rate of 15% of such employees' basic salary. The Company recognizes 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 Company recognize 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 Company recognizes that difference excess as a liability. The Company has no obligation, other than the contribution payable to the superannuation fund.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

j) Retirement and other employee benefits (Contd.):

iv Privilege leave benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as 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 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 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 non-current liability.

v Termination benefits

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of 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.

k) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

l) Income taxes (Contd.):

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m) Provisions

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

n) Impairment of tangible and intangible assets

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) net selling price 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

o) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

p) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized 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 recognized 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.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

q) 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.

r) Contingent liabilities

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Derivative instruments and hedge accounting

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. The Company designates these forward contracts in a hedging relationship by applying the hedge accounting principles of AS-30 Financial Instruments: Recognition and Measurement.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

t) Derivative instruments and hedge accounting (Contd.):

For the purpose of hedge accounting, hedges are classified as:

- i. Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- ii. Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized 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 identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company 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 derivative is recognized in the statement of profit and loss. 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 recognized in the statement of profit and loss.

When an unrecognized 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 recognized as an asset or liability with a corresponding gain or loss recognized in the statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholder's fund in the hedging reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The Company uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized immediately in the statement of profit and loss.

Amounts recognized in the hedging reserve are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in the hedging reserve remains in the hedging reserve until the forecast transaction or firm commitment affects profit or loss.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

3. Share capital

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Authorised shares (No.)		
300,000,000 (March 31, 2014: 300,000,000) equity shares of ₹ 2/- each	600.00	600.00
43,000,000 (March 31, 2014: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2014: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
232,970,666 (March 31, 2014: 232,970,666) equity shares of ₹ 2/- each	465.94	465.94
Subscribed and fully paid-up (No.)		
232,794,316 (March 31, 2014: 232,794,316) equity shares of ₹ 2/- each	465.59	465.59
Add: 172,840 (March 31, 2014: 172,840) forfeited equity shares comprising of 15,010 equity shares (March 31, 2014: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2014: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50/- each) [Also refer note 3(f)]	0.09	0.09
Total issued, subscribed and fully paid-up share capital	465.68	465.68

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2015		As at March 31, 2014	
	No.	In ₹ Million	No.	In ₹ Million
At the beginning of the year	232,794,316	465.59	232,794,316	465.59
Issued during the year	-	-	-	-
Outstanding at the end of the year	232,794,316	465.59	232,794,316	465.59

(b) 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.

During the year ended March 31, 2015, the amount of per share interim dividend recognized as distributions to equity shareholders was ₹ 3.00 (March 31, 2014: ₹ 2.00).

During the year ended March 31, 2015, the amount of per share proposed final dividend recognized as distributions to equity shareholders was ₹ 4.50 (March 31, 2014: ₹ 2.50).

In the event of liquidation of the 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 shareholders.

(c) 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.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting date.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

3. Share capital (Contd.):

(e) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder *	As at March 31, 2015		As at March 31, 2014	
	No.	% of Holding	No.	% of Holding
Equity shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	31,656,095	13.60	31,656,095	13.60
Sundaram Trading and Investment Private Limited	29,907,087	12.85	29,907,087	12.85
KSL Holdings Private Limited	23,142,870	9.94	23,142,870	9.94

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

(f) Shares reserved for issue under options

	As at March 31, 2015	As at March 31, 2014
2,340 equity shares of ₹ 2/- each out of the previous issue of equity shares on a right basis together with 234 detachable warrants entitled to subscription of 1,170 equity shares of ₹ 2/- each, have been kept in abeyance and reserve for issue pending adjudication of title to the pre right holding.	3,510	3,510

(g) 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 and May 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 at the close of the year are 9,200 (March 31, 2014: 9,200). The funds raised had been utilized towards the object of the issue.

4. Reserves and surplus

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Capital reserves		
Special capital incentive (Under the 1988 Package Scheme of Incentives)		
Balance as per the last financial statements	2.50	2.50
Closing balance	2.50	2.50
Warrants subscription money [Refer note 4(a)]		
Balance as per the last financial statements	13.00	13.00
Closing balance	13.00	13.00
Closing balance	15.50	15.50
Capital redemption reserve		
Balance as per the last financial statements	300.00	300.00
Closing balance	300.00	300.00
Securities premium account		
Balance as per the last financial statements	7,096.48	7,096.48
Closing balance	7,096.48	7,096.48
carried over	7,411.98	7,411.98

Notes to financial statements for the year ended March 31, 2015 (Contd.):

4. Reserves and surplus (Contd.):

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
brought over	7,411.98	7,411.98
Debenture redemption reserve [Refer note 4(b)]		
Balance as per the last financial statements	1,852.71	1,448.94
Add: Amount transferred from surplus in the statement of profit and loss	87.29	403.77
Less: Amount transferred to surplus in the statement of profit and loss	(875.00)	-
Closing balance	1,065.00	1,852.71
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Refer note 38]		
Balance as per the last financial statements	(671.47)	(175.12)
Add: Arising during the year	(243.96)	(683.38)
Less: Adjusted during the year	254.38	187.03
Closing balance	(661.05)	(671.47)
Hedge reserve [Refer note 2.1(t)]		
Balance as per the last financial statements	1,785.97	241.53
Add: Arising during the year	3,716.20	2,250.05
Less: Adjusted during the year	(384.83)	(705.61)
Closing balance	5,117.34	1,785.97
General reserve		
Balance as per the last financial statements	2,648.90	2,248.90
Add: Amount transferred from surplus balance in the statement of profit and loss	719.00	400.00
Less: Adjusted during the year [Refer note 4(c)]	(409.12)	-
Closing balance	2,958.78	2,648.90
Surplus in the statement of profit and loss		
Balance as per the last financial statements	13,439.31	11,469.41
Add:		
- Net profit for the year	7,189.84	3,999.29
- Transfer from debenture redemption reserve [Refer note 4(b)(ii)]	875.00	-
	8,064.84	3,999.29
Less: Appropriations		
- Transfer to debenture redemption reserve	(87.29)	(403.77)
- Transfer to general reserve	(719.00)	(400.00)
- Interim equity dividend [Refer note 4(d)]	(698.38)	(465.59)
- Tax on interim equity dividend	(139.64)	(79.13)
- Proposed final equity dividend [Refer note 4(d)]	(1,047.57)	(581.99)
- Tax on proposed final equity dividend	(213.26)	(98.91)
	(2,905.14)	(2,029.39)
Closing balance	18,599.01	13,439.31
TOTAL	34,491.06	26,467.40

(a) Capital reserves:

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.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

4. Reserves and surplus (Contd.):

(b) Debenture redemption reserve:

- (i) Debenture redemption reserve has been created in accordance with circular No. 9/2002 dated April 18, 2002 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India and Section 117(C) of the Companies Act, 1956 at 25% of the maturity amount equally over the terms of the debentures privately placed. Pursuant to MCA circular No. 04/2013 dated February 11, 2013, the Company has continued to create reserve as per the erstwhile Companies Act, 1956.
- (ii) During the year, the Company has redeemed 3,500 - 10.75% Redeemable Secured Non-convertible Debentures (Seventeenth series) in full. The Debenture redemption reserve created with respect to this series has been transferred to surplus in the statement of profit and loss after redemption in full of the said debentures.

(c) General reserve:

Pursuant to the Companies Act, 2013 ("the Act"), the Company has, during the year, revised depreciation rates on certain fixed assets as per the useful life specified in Schedule II of the Act or as re-assessed by the Company. Due to this, based on transitional provision as per note 7(b) of the Schedule II, an amount of ₹ 354.75 Million (net of deferred tax of ₹ 182.67 Million) have been adjusted to general reserves. The adjustment to reserve include ₹ 54.37 Million in relation to deferred tax adjustment of earlier years.

5. Long-term borrowings

	In ₹ Million			
	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Debentures [Refer note 5(a)]				
2,500 (March 31, 2014: 2,500) - 11.95% Redeemable non-convertible debentures (secured)	833.50	1,666.75	833.25	833.25
1,760 (March 31, 2014: 1,760) - 10.75% Redeemable non-convertible debentures (secured)	528.00	1,144.00	616.00	616.00
3,500 (March 31, 2014: 3,500) - 10.75% Redeemable non-convertible debentures (secured)	-	-	-	2,625.00
	1,361.50	2,810.75	1,449.25	4,074.25
Term loans				
From banks				
Foreign currency term loans				
From Credit Agricole Corporate & Investment Bank, Singapore [Refer note 5(b)(i)] (secured)	-	-	-	1,198.80
On syndication basis [Refer note 5(b)(ii)] (unsecured)	14,377.30	10,789.20	-	-
	14,377.30	10,789.20	-	1,198.80
Other loans				
IGSTC R&D project loan [Refer note 5(c)] (secured)	6.08	-	-	-
	6.08	-	-	-
TOTAL	15,744.88	13,599.95	1,449.25	5,273.05

Notes to financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

	In ₹ Million			
	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
The above amount includes				
Secured borrowings	1,367.58	2,810.75	1,449.25	5,273.05
Unsecured borrowings	14,377.30	10,789.20	-	-
Amount disclosed under the head "Other current liabilities" [Refer note 10]	-	-	(1,449.25)	(5,273.05)
TOTAL	15,744.88	13,599.95	-	-

(a) Debentures

The Company has issued the following secured redeemable non-convertible debentures:

- (i) 2,500 (March 31, 2014: 2,500) - 11.95 % Redeemable secured non-convertible debentures (Sixteenth series) of ₹ 666,700/- each (March 31, 2014: ₹ 1,000,000/- each) redeemable at par in balance two equal annual installments on January 5, 2016 and on January 5, 2017, respectively.

Above debentures are secured by (i) First pari passu mortgage in favour of the Trustees, of all rights and interest on the Company's immovable properties situated at Mundhwa, Satara and Chakan with negative lien on properties situated at Jejuri and Baramati; and (ii) First pari passu charge in favour of the Trustees by way of hypothecation of movable properties, present and future both such as all plant and machinery, equipments, tools, furniture and fixtures etc., as described in Debenture Trust-cum-Mortgage Deed dated April 30, 2009 and a revised Mortgage Deed dated April 30, 2014, when the immovable property situated at Jalgaon was removed as a security.

- (ii) 1,760 (March 31, 2014: 1,760) - 10.75 % Redeemable secured non-convertible debentures (Eighteenth series) of ₹ 650,000 each (March 31, 2014: ₹ 1,000,000/- each) redeemable at par in balance two annual installments @ 35.00% on April 28, 2015 and @ 30.00% on April 28, 2016, respectively.

Above debentures are secured by (i) First pari-passu mortgage in favour of Trustees, of all rights and interest on the Company's immovable properties, present and future situated at Mundhwa, Chakan and Satara with negative lien on properties situated at Jejuri and Baramati as per Debenture Trust-cum-Mortgage Deed dated June 28, 2010; and (ii) First pari-passu charge in favour of the Trustees on moveable properties, present and future as described in Schedule-II as per Debenture Trust-cum-Mortgage Deed dated June 28, 2010 and a revised Mortgage Deed dated April 30, 2014, when the immovable property situated at Jalgaon was removed as a security.

- (iii) 3,500 (March 31, 2014: 3,500) - 10.75 % Redeemable secured non-convertible debentures (Seventeenth series) of ₹ Nil (March 31, 2014: ₹ 750,000) redeemed at par.

Above debentures were secured by (i) First pari passu mortgage in favour of the Trustees, of all rights and interest on the Company's immovable properties situated at Mundhwa, Satara and Chakan with negative lien on properties situated at Jejuri and Baramati; and (ii) First pari passu charge in favour of the Trustees by way of hypothecation of movable properties, present and future both such as all plant and machinery, equipments, tools, furniture and fixtures etc., as described in Debenture Trust - cum-Mortgage Deed dated December 14, 2009 and a revised Mortgage Deed dated April 30, 2014, when the immovable property situated at Jalgaon was removed as a security.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

(b) Foreign currency term loans

(i) From Credit Agricole Corporate & Investment Bank, Singapore (Secured)

Balance outstanding USD Nil (March 31, 2014: USD 20 Million)

Secured by first pari passu charge over present and future movable fixed assets viz. plant and machinery, computers, furniture's and fixtures, whether installed or not and whether now lying loose or in cases or otherwise or being on or upon or at any time, hereafter being on or upon about the premises and godowns at Mundhwa, Pune; Village Kuruli, Chakan; Taluka Khed, District Pune; Village Vaduth, Taluka and District Satara and at Baramati, Pune or anywhere else.

Repaid in 3 yearly installments from date of its origination, i.e. October 14, 2012, along with interest.

(ii) Foreign currency term loans on Syndicated basis (Unsecured)

Repayable in 3 half yearly/yearly installments from date of its origination, along with interest.

Date of origination	In USD Million	
	Balance outstanding	
	As at March 31, 2015	As at March 31, 2014
October 31, 2016 (half yearly)	80.00	80.00
October 31, 2016 (half yearly)	40.00	40.00
October 31, 2017 (half yearly)	60.00	60.00
March 16, 2019 (yearly)	50.00	-

(c) IGSTC R&D project loan (Secured)

Balance outstanding ₹ 6.08 Million (March 31, 2014: Nil)

The loan is secured by bank guarantee executed by the Company in favour of IGSTC.

Repayable in 10 half yearly installments from January 14, 2017, along with interest.

6. Deferred tax liabilities (net)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Deferred tax liability		
On account of timing difference in Impact of difference between tax depreciation/amortization and depreciation/amortization for the financial reporting	1,965.05	2,115.70
Gross deferred tax liability	1,965.05	2,115.70
Deferred tax assets		
On account of timing difference in Privilege leave encashment and gratuity	167.52	149.70
Provision for bad and doubtful debts and advance	33.74	22.10
Disallowance under section 43B of Income Tax Act, 1961	53.99	149.91
Voluntary retirement scheme	2.96	2.96
Disallowance under section 40(a) of Income Tax Act, 1961	67.71	-
Gross deferred tax assets	325.92	324.67
Net deferred tax liability	1,639.13	1,791.03

Deferred tax in relation to adjustment for transitional provision of schedule II and certain other adjustments has been accounted for as a adjustments to general reserve.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

7. Other long-term liabilities

	In ₹ Million			
	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Voluntary retirement scheme compensation	5.32	4.67	3.62	3.66
	5.32	4.67	3.62	3.66
Amount disclosed under the head "other current liabilities" [Refer note 10]	-	-	(3.62)	(3.66)
TOTAL	5.32	4.67	-	-

8. Provisions

	In ₹ Million			
	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Provision for gratuity [Refer note 29]	290.36	275.85	-	-
Provision for special gratuity [Refer note 29]	32.40	27.42	13.03	11.69
Provision for leave benefits	-	-	193.68	164.59
	322.76	303.27	206.71	176.28
Other provisions				
Proposed equity dividend	-	-	1,047.57	581.99
Provision for tax on proposed equity dividend	-	-	213.26	98.91
Provision for tax (net of advance tax)	-	-	56.44	184.30
	-	-	1,317.27	865.20
TOTAL	322.76	303.27	1,523.98	1,041.48

9. Short-term borrowings

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Cash credit from banks (secured) [Refer note 9(a)]	108.50	12.14
Preshipment packing credit - foreign currency (secured) [Refer note 9(b)]	608.82	673.76
Preshipment packing credit - foreign currency (unsecured) [Refer note 9(c)]	62.51	384.25
TOTAL	779.83	1,070.15
The above amount includes		
Secured borrowings	717.32	685.90
Unsecured borrowings	62.51	384.25
TOTAL	779.83	1,070.15

- (a) Cash credit from banks is secured against hypothecation of stocks of semi finished and finished goods, raw materials, finished dies and die blocks, work-in-progress, consumable stores and spares, book debts etc. Cash credit is repayable on demand.
- (b) Preshipment packing credit from banks is secured against hypothecation of stocks of semi finished and finished goods, raw materials, finished dies and die blocks, work-in-progress, consumable stores and spares, book debts etc. Preshipment packing credit - foreign currency (secured) is repayable within 180 days.
- (c) Preshipment packing credit - foreign currency (unsecured) is repayable within 180 days.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

10. Trade payables and other current liabilities

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Trade payables [Refer note 40 for details of dues to micro and small enterprises]	5,667.97	2,772.84
Acceptances	618.23	2,852.13
TOTAL	6,286.20	5,624.97
Other current liabilities		
Current maturities of long-term borrowings [Refer note 5]		
- Secured	1,449.25	5,273.05
Payables for capital goods	332.79	263.48
Interest accrued but not due on borrowings	190.10	269.47
Investor Education and Protection Fund (as and when due)		
- Unpaid dividend #	25.04	22.32
- Unpaid matured deposits	0.04	0.04
Security deposits	81.26	79.21
Advance from customers	167.07	132.08
Employee contributions and recoveries payable	40.05	39.03
Statutory dues payable including tax deducted at source *	119.51	411.14
Voluntary retirement scheme compensation [Refer note 7]	3.62	3.66
Others	90.17	122.95
TOTAL	2,498.90	6,616.43
TOTAL	8,785.10	12,241.40

* Includes LBT, in previous year, for which the appropriate authority and the administrative mechanism for collection was awaited. Also refer note 27(b)

unpaid due to litigation

Notes to financial statements for the year ended March 31, 2015 (Contd.):

11.1 Tangible assets

	Free hold land (a)	Lease hold land (b), (c)	Buildings (b), (c)	Plant and machinery	Office equipments	Railway sidings	Electrical installations	Factory equipments	Furniture and fixtures	Vehicles and aircraft	Power line	Total
Cost												
As at April 1, 2013	177.79	90.02	2,793.91	29,394.11	54.38	0.45	526.21	637.19	269.39	2,191.34	97.77	36,232.56
Additions	-	-	147.19	1,890.33	4.89	-	-	81.68	4.86	5.05	-	2,134.00
Disposals	(1.51)	-	(7.71)	(275.72)	(0.04)	-	(1.41)	(1.66)	(5.87)	(16.12)	-	(310.04)
Other adjustments	-	-	0.66	84.77	-	-	-	1.77	-	-	-	87.20
- Borrowing cost	-	0.06	23.65	554.26	-	-	0.52	5.53	0.11	-	-	584.13
- Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2014	176.28	90.08	2,957.70	31,647.75	59.23	0.45	525.32	724.51	268.49	2,180.27	97.77	38,727.85
Additions	-	57.49	228.28	1,666.13	9.28	-	2.23	63.78	25.13	13.27	-	2,065.59
Disposals	-	-	-	(90.74)	-	-	-	(0.22)	(0.33)	(7.23)	-	(98.52)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	-	47.22	-	-	-	0.38	-	-	-	47.60
- Exchange differences	-	-	5.92	215.72	-	-	0.05	1.93	0.01	-	-	223.63
As at March 31, 2015	176.28	147.57	3,191.90	33,486.08	68.51	0.45	527.60	790.38	293.30	2,186.31	97.77	40,966.15
Depreciation												
As at April 1, 2013	-	5.20	531.88	13,895.58	34.55	0.43	282.03	439.20	173.43	820.79	61.39	16,244.48
Charge for the year	-	0.95	83.75	2,098.91	2.97	-	40.93	61.54	17.03	131.91	15.11	2,453.10
Disposals	-	-	(6.09)	(151.01)	(0.03)	-	(1.47)	(1.37)	(3.13)	(14.16)	-	(177.26)
As at March 31, 2014	-	6.15	609.54	15,843.48	37.49	0.43	321.49	499.37	187.33	938.54	76.50	18,520.32
Charge for the year	-	1.56	99.60	2,151.63	7.18	-	35.45	57.71	30.78	85.66	15.10	2,484.67
Disposals	-	-	-	(71.04)	-	-	-	-	(0.19)	(6.29)	-	(77.52)
Adjustments	-	-	40.80	4.06	9.18	-	-	-	10.07	473.31	-	537.42
As at March 31, 2015	-	7.71	749.94	17,928.13	53.85	0.43	356.94	557.08	227.99	1,491.22	91.60	21,464.89
Net Block												
As at March 31, 2014	176.28	83.93	2,348.16	15,804.27	21.74	0.02	203.83	225.14	81.16	1,241.73	21.27	20,207.53
As at March 31, 2015	176.28	139.86	2,441.96	15,557.95	14.66	0.02	170.66	233.30	65.31	695.09	6.17	19,501.26

(a) Freehold land includes 25 acres of land situated at Pune and 24.13 acres of land situated at Satara both of which have been given on lease. Due to certain matters being sub judice, the Company has not executed lease deed with related party for the said land.

(b) Buildings include cost of hangar jointly owned with other Companies ₹ 0.12 Million (March 31, 2014; ₹ 0.12 Million).

(c) Documents for the ownership of premises at Sai Nagari, Surajban apartments and Lullanagar at Pune and lease hold land at Jejuri are under execution.

(d) Capitalized borrowing cost:

The borrowing cost capitalized during the year ended March 31, 2015 was ₹ 81.05 Million (March 31, 2014: ₹ 42.75 Million).

The Company capitalized this borrowing cost in the capital work-in-progress (CWIP).

The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from CWIP.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

11.2 Intangible assets

	In ₹ Million	
	Computer software	Total
Gross block		
As at April 1, 2013	-	-
Purchase	46.86	46.86
Internal development	-	-
As at March 31, 2014	46.86	46.86
Purchase	33.29	33.29
Internal development	-	-
As at March 31, 2015	80.15	80.15
Amortization		
As at April 1, 2013	-	-
Charge for the year	0.05	0.05
As at March 31, 2014	0.05	0.05
Charge for the year	20.45	20.45
As at March 31, 2015	20.50	20.50
Net block		
As at March 31, 2014	46.81	46.81
As at March 31, 2015	59.65	59.65

Notes to financial statements for the year ended March 31, 2015 (Contd.):

12. Non-current investments

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Trade investments (valued at cost unless stated otherwise)		
Equity instruments (unquoted)		
Investment in wholly owned subsidiaries		
CDP-Bharat Forge GmbH		
Subscription to the equity share capital	EUR 5,000,000	287.98
Contribution to capital reserve credited in favour of Bharat Forge Limited [Refer note 12(a)]	EUR 57,464,428 (EUR 53,764,428)	3,385.74
	3,675.98	3,673.72
	3,963.96	3,673.72
Bharat Forge America Inc.	USD 21,596,597	987.09
Less: Provision for diminution in value of investments	(964.16)	(964.16)
	22.93	22.93
19,791,494 (March 31, 2014: 9,999,994) equity shares of ₹ 10/- each fully paid up in BF Infrastructure Limited	197.91	100.00
Less: Provision for diminution in value of investments [Refer note 12(b) and 27(c)(i)]	(90.00)	(90.00)
	107.91	10.00
40,050,000 (March 31, 2014: 40,050,000) equity shares of ₹ 10/- each fully paid up in BF Infrastructure Ventures Limited	400.50	400.50
Less: Provision for diminution in value of investments [Refer note 12(c) and 27(c)(ii)]	(290.00)	-
	110.50	400.50
50,000 (March 31, 2014: 50,000) equity shares of ₹ 10/- each fully paid up in Kalyani Strategic Systems Limited (erstwhile BF Power Equipment Limited)	0.50	0.50
50,000 (March 31, 2014: 50,000) equity shares of ₹ 10/- each fully paid up in Kalyani Polytechnic Private Limited	0.50	0.50
OthersubsidiarieswhereCompanyholds51%ormoreoftheequitysharecapital		
6,120,000 (March 31, 2014: 6,120,000) equity shares of ₹ 10/- each fully paid up in BF-NTPC Energy Systems Limited	63.24	63.24
Nil (March 31, 2014: 25,499,996) equity shares of ₹ 10/- each fully paid up in Kalyani ALSTOM Power Limited [Refer note 12(d)]	-	259.09
1,655,202 (March 31, 2014: Nil) equity shares of ₹ 10/- each fully paid up in Analogic Controls India Limited	16.55	16.55
10,000 (March 31, 2014: 10,000) equity shares of ₹ 10/- each fully paid up in BF Elbit Advanced Systems Private Limited [Refer note 12(e)] [*]	0.10	0.10
Investments in joint ventures [Refer note 32]		
Nil (March 31, 2014: 9,905,000) equity shares of ₹ 10/- each fully paid up in Impact Automotive Solutions Limited [Refer note 27(a)]	-	149.05
151,826,496 (March 31, 2014: 70,927,496) equity shares of ₹ 10/- each fully paid up in ALSTOM Bharat Forge Power Limited	1,727.01	732.88
Investments in others (Company holds 5% or more of the share capital)		
21,067,894 (March 31, 2014: 21,067,894) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited	210.68	210.68
504,432 (March 31, 2014: 504,432) equity shares of ₹ 10/- each fully paid up in Gupta Energy Private Limited [Refer note 12(f)]	72.13	72.13
	6,296.01	5,611.87
Equity instruments (quoted)		
613,000 (March 31, 2014: Nil) equity shares of ₹ 2/- each fully paid up in KPIT Technologies Limited	100.24	-
Preference shares (unquoted)		
21,814,050 (March 31, 2014: 21,814,050) preference shares of ₹ 10/- each fully paid up in BF Infrastructure Limited, a wholly owned subsidiary	218.14	218.14
Less: Provision for diminution in value of investments [Refer note 12(b) and 27(c)]	(218.14)	(218.14)
	-	-
carried over	6,396.25	5,611.87

Notes to financial statements for the year ended March 31, 2015 (Contd.):

12. Non-current investments (Contd.):

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
brought over	6,396.25	5,611.87
Debentures (unquoted)		
866,467 (March 31, 2014: 866,467) 0% Compulsorily Convertible Debentures of ₹ 100/- each in Analogic Controls India Limited	86.65	86.65
	6,482.90	5,698.52
Other investments (valued at cost unless stated otherwise)		
Bonds (unquoted)		
500 (March 31, 2014: 500) Non-convertible redeemable secured taxable bonds of ₹ 10,000/- each - Series IX (2013-14)	5.00	5.00
TOTAL	6,487.90	5,703.52
Aggregate amount of quoted investments	100.24	-
[# Market value ₹ 115.55 Million (March 31, 2014: Nil)]		
Aggregate amount of unquoted investments	6,387.66	5,703.52
Aggregate amount of provision for diminution in value of investments	(1,562.30)	(1,272.30)

[*] wholly owned subsidiary till previous year

(a) CDP Bharat Forge GmbH

Contributions to the capital reserves of CDP Bharat Forge GmbH as per the German Commercial Code, forms a part of the equity share capital and accordingly has been considered as an investment and is redeemable subject to provisions of the code.

(b) BF Infrastructure Limited (BFIL)

BF Infrastructure Limited, a wholly owned subsidiary is in the business of manufacturing, assembling, installing etc. for infrastructure projects in energy, power, oil & gas etc. In the previous year considering the losses in the business activities carried out by the Company, the Company had, as a matter of prudence, tested the investment in BFIL for impairment/diminution with reference to the value of assets. Accordingly, the Company had provided for impairment of ₹ Nil (March 31, 2014: ₹ 308.14 Million) which was recognized as an exceptional item in the statement of profit and loss.

(c) BF Infrastructure Ventures Limited (BFIVL)

BF Infrastructure Ventures Limited, a wholly owned subsidiary has registered losses which has affected its net worth. Given the losses in the business activities carried out by the Company, the Company has, as a matter of prudence, tested the investment in BFIVL for impairment/diminution with reference to the value of assets. Accordingly, the Company has provided for impairment of ₹ 290 Million (March 31, 2014: ₹ Nil) which has been recognized as an exceptional item in the statement of profit and loss.

(d) Kalyani ALSTOM Power Limited

The Board of Directors of ALSTOM Bharat Forge Power Limited (ABFPL) on August 28, 2013 approved a Scheme of Amalgamation (Scheme) between ABFPL and Kalyani Alstom Power Limited (KAPL) being transferor Company with an Appointed date of April 1, 2013 and the Shareholder of ABFPL also submitted their letter of consent for approving Scheme. The Scheme has been approved by Hon'ble High Court of Delhi vide its Order dated August 7, 2014, certified copy of which was received on September 24, 2014, filed with the Registrar of Companies, NCT of Delhi and Haryana on dated October 14, 2014. Pursuant to the Scheme, the transferor Company i.e. KAPL amalgamated with ABFPL from the appointed date i.e. April 1, 2013 on going concern basis. As per the scheme during the period between appointed date and effective date, transferor Company shall be deemed to have carried on the existing business on account of and for the benefit and in 'Trust' for the transferee Company.

Pursuant to scheme of Amalgamation, 14,500,000 equity shares of ₹ 10/- each are to be issued to shareholders of KAPL in the ratio of 29 fully paid up equity shares of ABFPL for every 100 fully paid up equity shares of ₹ 10/- each held in ABFPL. As a result of the scheme, the Company has received 7,395,000 equity shares of ₹ 10/- each of ABFPL for 25,499,996 equity shares of KAPL. Simultaneous with the issuance and allotment of shares in ABFPL to the shareholders of erstwhile KAPL, as mentioned above, ABFPL shall undertake preferential issuance and allotment of 600,000 equity shares of the face value of ₹ 10/- each fully paid up to ALSTOM Power Holdings S.A. (596,000 equity shares of the face value of ₹ 10/- each) and Bharat Forge Limited (4,000 equity shares of ₹ 10/- each).

(e) BF Elbit Advanced Systems Private Limited

During the current year, BF Elbit Advanced Systems Private Limited has issued 3,513 equity shares of ₹ 10/- each to Elbit Systems Land and C4I Limited (Elbit) - the other shareholder. Consequently, the Company now holds 74% of equity share capital of BF Elbit Advanced Systems Private Limited.

(f) Gupta Energy Private Limited

Shares of Gupta Energy Private Limited pledged against the facility obtained by Gupta Global Resources Private Limited.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

13. Loans and advances

In ₹ Million

	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital advances				
Unsecured, considered good	917.06	820.95	-	-
Unsecured, considered doubtful	22.13	15.33	-	-
Less: Provision for doubtful advance	(22.13)	(15.33)	-	-
	917.06	820.95	-	-
Security deposits (including statutory deposits)				
Unsecured, considered good	453.57	399.81	-	-
	453.57	399.81	-	-
Loans and advances				
To related parties [Refer note 33]				
Unsecured, considered good				
Loan to wholly owned subsidiary	-	-	67.19	82.34
Loan to other subsidiary	-	-	20.00	-
Amount recoverable from wholly owned subsidiaries	126.06	108.00	98.37	179.12
Amount recoverable from other subsidiaries	-	-	44.71	-
Intercompany deposit	75.00	-	65.00	10.00
	201.06	108.00	295.27	271.46
Recoverable in cash or kind				
Unsecured, considered good	-	-	426.82	421.24
Unsecured, considered doubtful	-	-	35.44	29.79
Less: Provision for doubtful advance	-	-	(35.44)	(29.79)
	-	-	426.82	421.24
Others				
Unsecured, considered good				
Share application money pending allotment to related party	-	-	-	20.00
Loan to employees	18.31	16.52	-	-
Advance income tax (Net of provision for tax)	256.98	171.63	-	-
Advances to suppliers	-	-	497.70	348.36
Balances with statutory/government authorities	-	-	393.49	746.94
Taxes and duty credits receivables (including VAT)	-	-	3,080.76	1,657.77
Intercompany deposits	-	-	50.00	-
	275.29	188.15	4,021.95	2,773.07
	476.35	296.15	4,744.04	3,465.77
TOTAL	1,846.98	1,516.91	4,744.04	3,465.77

Notes to financial statements for the year ended March 31, 2015 (Contd.):

14. Other assets

In ₹ Million

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good unless stated otherwise				
Non-current bank balance [Refer note 18]	0.03	0.03	-	-
	0.03	0.03	-	-
Derivative assets				
Forward contracts	-	-	5,275.13	1,800.60
	-	-	5,275.13	1,800.60
Others				
Export incentives receivable	-	31.21	1,564.53	1,412.47
Government grant under PSI Scheme	232.45	230.19	-	-
Interest accrued on fixed deposits etc.	-	-	54.86	38.16
Energy credit receivable - Windmills	-	-	16.30	28.31
Interest accrued on loan given to subsidiaries	-	-	113.81	109.91
Others	-	-	350.00	521.33
	232.45	261.40	2,099.50	2,110.18
TOTAL	232.48	261.43	7,374.63	3,910.78

15. Current investments (valued at lower of cost and market value, unless stated otherwise)

In ₹ Million

	As at	As at
	March 31, 2015	March 31, 2014
Investments in mutual funds [Refer note 15 (a)]	4,549.46	7,705.40
TOTAL	4,549.46	7,705.40
Aggregate amount of quoted investments	150.00	643.62
[# Market value ₹ 160.43 Million (March 31, 2014: ₹ 660.96 Million)]		
Aggregate amount of unquoted investments	4,399.46	7,061.78
	4,549.46	7,705.40

Included in market value at NAV as on March 31, 2015 and March 31, 2014 respectively as there was no trade for the schemes, hence quotations are not available.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

15. Current investments (valued at lower of cost and market value, unless stated otherwise) (Contd.): (a) Details of quoted and unquoted investments

		In ₹ Million	
		As at March 31, 2015	As at March 31, 2014
In mutual fund units at cost:			
Quoted:			
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series JO (367 Days) - Growth - Regular	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KC (368 Days) - Growth - Regular	-	20.00
Nil	(March 31, 2014: 3,000,000.000) Units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KG (367 Days) - Growth - Regular	-	30.00
Nil	(March 31, 2014: 3,000,000.000) Units of ₹ 10 each of DSP BlackRock FMP - Series 146 12M - Growth	-	30.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of DSP BlackRock FMP - Series 153 12M - Regular - Growth	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of DWS Fixed Maturity Plan - Series 48 - Regular Plan - Growth	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of HDFC FMP 369D June 2013 (1) Regular - Growth - Series 26	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of HDFC FMP 370D July 2013 (1) Regular - Growth - Series 26	-	20.00
Nil	(March 31, 2014: 3,000,000.000) Units of ₹ 10 each of HDFC FMP 371D July 2013 (1) Regular - Growth - Series 26	-	30.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of HDFC FMP 370D November 2013 (1) Regular - Growth - Series 28	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of HDFC FMP 370D February 2014 (1) Regular - Growth - Series 29	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of HDFC FMP 371D February 2014 (2) Regular - Growth - Series 29	-	20.00
5,000,000.000	(March 31, 2014: Nil) Units of ₹ 10 each of HDFC FMP 370D June 2014 (2) - Series 31 - Regular - Growth	50.00	-
2,000,000.000	(March 31, 2014: Nil) Units of ₹ 10 each of HDFC FMP 371D June 2014 (3) - Series 31 - Regular - Growth	20.00	-
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of ICICI Prudential FMP Series 72 - 368 Days Plan A Regular Plan Cumulative	-	20.00
Nil	(March 31, 2014: 5,000,000.000) Units of ₹ 10 each of ICICI Prudential FMP Series 72 - 366 Days Plan C Regular Plan Cumulative	-	50.00
Nil	(March 31, 2014: 3,000,000.000) Units of ₹ 10 each of ICICI Prudential FMP Series 72 - 368 Days Plan D Regular Plan Cumulative	-	30.00
Nil	(March 31, 2014: 5,000,000.000) Units of ₹ 10 each of ICICI Prudential FMP Series 72 - 366 Days Plan K Regular Plan Cumulative	-	50.00
3,000,000.000	(March 31, 2014: Nil) Units of ₹ 10 each of ICICI Prudential FMP Series 74 - 369 Days Plan K Regular Plan Cumulative	30.00	-
2,000,000.000	(March 31, 2014: Nil) Units of ₹ 10 each of ICICI Prudential FMP Series 74 - 370 Days Plan X Regular Plan Cumulative	20.00	-
	carried over	120.00	420.00

Notes to financial statements for the year ended March 31, 2015 (Contd.):

15. Current investments (valued at lower of cost and market value, unless stated otherwise) (Contd.): (a) Details of quoted and unquoted investments (Contd.):

		In ₹ Million	
		As at March 31, 2015	As at March 31, 2014
	brought over	120.00	420.00
Nil	(March 31, 2014: 3,273,240.000) Units of ₹ 10 each of IDFC Fixed Term Plan Series 85 Regular Plan- Growth	-	32.73
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of JP Morgan India Fixed Maturity Plan Series 31 Regular - Growth	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of Kotak Fixed Maturity Plan Series 104 Regular - Growth	-	20.00
Nil	(March 31, 2014: 3,000,000.000) Units of ₹ 10 each of LIC Nomura MF FMP Series 66 - 371 Days - Growth Plan	-	30.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of LIC Nomura MF FMP Series 73 - 366 Days - Growth Plan	-	20.00
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of Reliance Fixed Horizon Fund Series - XXV - Series 10 - Growth Plan	-	20.00
3,000,000.000	(March 31, 2014: Nil) Units of ₹ 10 each of Reliance Fixed Horizon Fund - XXVI - Series 31 - Growth Plan	30.00	-
Nil	(March 31, 2014: 2,000,000.000) Units of ₹ 10 each of SBI Debt Fund Series - 366 Days - 33 Regular Plan - Growth	-	20.00
Nil	(March 31, 2014: 5,000,000.000) Units of ₹ 10 each of Tata Fixed Maturity Plan Series 46 - Scheme L - Plan A - Growth	-	50.00
Nil	(March 31, 2014: 1,089,070.000) Units of ₹ 10 each of UTI Fixed Term Income Fund Series XVI - VII (366 Days) - Growth Plan	-	10.89
	TOTAL (A)	150.00	643.62
Unquoted:			
67,680.139	(March 31, 2014: 108,378.426) Units of ₹ 1,000 each of Axis Liquid Fund - Growth	104.74	153.82
2,156,388.990	(March 31, 2014: 4,370,902.437) Units of ₹ 100 each of Birla Sun Life Cash Plus - Growth - Regular Plan	483.21	897.74
16,582.587	(March 31, 2014: Nil) Units of ₹ 1,000 each of DSP BlackRock Money Manager Fund - Regular Plan - Growth	31.29	-
43,726.745	(March 31, 2014: 184,299.841) Units of ₹ 1,000 each of DSP BlackRock Liquidity Fund - Institutional Plan - Growth	87.34	337.76
849,597.853	(March 31, 2014: 1,035,835.061) Units of ₹ 100 each of DWS Insta Cash Plus Fund - Growth	153.96	172.18
25,562.613	(March 31, 2014: 200,068.190) Units of ₹ 1,000 each of Franklin India Treasury Management Account - Super Institutional Plan - Growth	53.29	382.07
3,330,895.734	(March 31, 2014: 3,417,650.211) Units of ₹ 10 each of Franklin India Ultra Short Bond Fund -Super Institutional Plan - Growth	61.67	57.55
7,262,411.264	(March 31, 2014: 20,501,895.199) Units of ₹ 10 each of HDFC Liquid Fund - Growth	200.14	518.09
21,188,629.603	(March 31, 2014: 19,487,687.081) Units of ₹ 10 each of HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	506.79	426.05
661,022.388	(March 31, 2014: 677,930.460) Units of ₹ 100 each of ICICI Prudential Flexible Income - Regular Plan - Growth	173.69	162.86
1,267,195.547	(March 31, 2014: 4,004,094.893) Units of ₹ 100 each of ICICI Prudential Liquid -Regular Plan - Growth	261.94	758.98
777,419.206	(March 31, 2014: Nil) Units of ₹ 100 each of ICICI Prudential Money Market Fund - Regular Plan - Growth	150.14	-
	carried over	2,268.20	3,867.10

Notes to financial statements for the year ended March 31, 2015 (Contd.):

15. Current investments (valued at lower of cost and market value, unless stated otherwise) (Contd.): (a) Details of quoted and unquoted investments (Contd.):

		In ₹ Million	
		As at March 31, 2015	As at March 31, 2014
	brought over	2,268.20	3,867.10
100,233.590	(March 31, 2014: 266,554.232) Units of ₹ 1,000 each of IDFC Cash Fund - Growth - (Regular Plan)	170.14	414.94
1,071,949.889	(March 31, 2014: Nil) Units of ₹ 10 each of IDFC Ultra Short Term Fund - Growth - (Regular Plan)	20.91	-
6,138,928.524	(March 31, 2014: 3,311,092.550) Units of ₹ 10 each of JPMorgan India Liquid Fund Super Institutional Plan - Growth	111.09	54.97
Nil	(March 31, 2014: 85,205.285) Units of ₹ 1,000 each of Kotak Liquid Scheme Plan A - Growth	-	221.43
7,948,730.866	(March 31, 2014: 8,149,796.322) Units of ₹ 10 each of Kotak Treasury Advantage Fund - Growth (earlier Kotak Floater Long Term - Growth)	176.73	165.80
55,418.577	(March 31, 2014: 94,267.257) Units of ₹ 1,000 each of L&T Liquid Fund - Growth	106.14	165.59
Nil	(March 31, 2014: 14,191.966) Units of ₹ 1,000 each of LIC Nomura MF Liquid Fund - Growth	-	32.96
88,839.788	(March 31, 2014: 63,013.387) Units of ₹ 1,000 each of Reliance Money Manager Fund - Growth Plan - Growth Option	169.68	110.56
6,074,241.265	(March 31, 2014: 6,226,444.069) Units of ₹ 10 each of Reliance Medium Term Fund - Growth Plan - Growth Option	175.23	164.56
95,161.955	(March 31, 2014: 147,537.786) Units of ₹ 1,000 each of Reliance Liquidity Fund - Growth Plan - Growth Option	200.15	284.69
18,087.481	(March 31, 2014: 18,534.741) Units of ₹ 1,000 each of Religare Invesco Liquid Fund - Growth Plan	34.74	32.65
126,364.215	(March 31, 2014: 259,859.320) Units of ₹ 1,000 each of SBI Premier Liquid Fund - Regular Plan - Growth	277.24	523.19
4,412,094.774	(March 31, 2014: 5,215,145.919) Units of ₹ 10 each of Sundaram Money Fund - Regular Growth	129.97	140.90
61,203.589	(March 31, 2014: 80,658.882) Units of ₹ 1,000 each of Tata Liquid Fund Plan A - Growth	157.66	190.71
123,975.310	(March 31, 2014: 276,887.584) Units of ₹ 1,000 each of UTI Liquid Cash Plan Institutional - Growth	283.57	581.05
62,267.616	(March 31, 2014: 63,837.251) Units of ₹ 1,000 each of UTI Treasury Advantage Fund Institutional Plan - Growth	118.01	110.68
	TOTAL (B)	4,399.46	7,061.78
	TOTAL (A) + (B)	4,549.46	7,705.40

Notes to financial statements for the year ended March 31, 2015 (Contd.):

16. Inventories (valued at lower of cost and net realisable value)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Raw materials and components [includes lying with third parties] (Refer note 21)	1,319.45	1,171.62
Work-in-progress [includes lying with third parties] (Refer note 22)	2,094.60	1,994.99
Finished goods [includes in transit] (Refer note 22)	57.14	29.62
Stores, spares and loose tools	780.42	800.20
Dies and dies under fabrication (Refer note 22)	1,094.37	1,067.30
Scrap (Refer note 22)	25.83	20.37
TOTAL	5,371.81	5,084.10

17. Trade receivables

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Trade receivables (net of bills discounted with banks) [Refer note 35]		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	190.22	130.47
Considered doubtful	39.90	19.90
Less: Provision for doubtful receivables	(39.90)	(19.90)
	190.22	130.47
Other receivables		
Considered good	5,404.43	5,121.67
	5,404.43	5,121.67
TOTAL	5,594.65	5,252.14

18. Cash and bank balances

	In ₹ Million			
	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents				
Balances with banks				
In Cash Credit and Current accounts	-	-	2,129.27	263.25
Deposits with original maturity of less than 3 months	-	-	1,030.01	490.00
Cash on hand	-	-	1.13	0.70
	-	-	3,160.41	753.95
Other bank balances				
Earmarked balances				
(on unclaimed dividend accounts)	-	-	25.38	22.67
Deposits with original maturity of more than 3 months but less than 12 months	-	-	2,732.33	1,740.00
Deposits with original maturity of more than 12 months #	0.03	0.03	-	-
	0.03	0.03	2,757.71	1,762.67
Amount disclosed under non-current assets (Refer note 14)	(0.03)	(0.03)	-	-
TOTAL	-	-	5,918.12	2,516.62

₹ 0.03 Million (March 31, 2014: ₹ 0.03 Million) in non-current portion pledged with sales tax department

Notes to financial statements for the year ended March 31, 2015 (Contd.):

19. Revenue from operations

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Revenue from operations		
Sale of products (net of returns, rebates etc.)		
- Finished goods	43,015.11	32,163.73
- Manufacturing scrap	2,232.82	1,844.66
Sale of services		
- Job work charges	160.39	184.17
- Die design and preparation charges	284.13	302.89
Other operating revenues		
- Export incentives	1,373.86	939.03
- Sale of electricity/REC - Windmills	57.32	59.82
Revenue from operations (gross)	47,123.63	35,494.30
Less: Excise duty *	(1,643.09)	(1,501.57)
Revenue from operations (net)	TOTAL 45,480.54	33,992.73

* Excise duty on sales amounting to ₹ 1643.09 Million (March 31 2014: ₹ 1,501.57 Million) has been reduced from sales in statement of profit and loss and excise duty on (decrease)/increase in stock amounting to ₹ (0.65) Million (March 31, 2014: ₹ 0.33 Million) has been considered as expense/(income) in note 24 of financial statements.

(a) Details of product sold (Gross of excise duty)

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Finished goods sold		
Steel forgings	18,408.21	12,671.68
Finished machined crankshaft	15,526.55	12,374.17
Front axle assembly and components	6,447.72	4,690.94
Ring rolling	1,256.04	1,014.03
Transmission parts	823.39	893.08
Aluminium road wheel	462.66	430.20
General engineering equipments	90.54	89.63
TOTAL	43,015.11	32,163.73

20. Other income

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Interest income on		
- Deposits	184.00	185.18
- Loans to subsidiaries	5.76	49.81
Dividend income from investment in mutual funds - current investment	402.73	393.57
Net gain on sale of		
- current investments	20.92	12.58
- long-term investments	59.81	45.68
Gain on foreign exchange fluctuation (net)	-	110.58
Government grant under PSI scheme	166.26	122.22
Provision for doubtful debts and advances written back	0.84	0.30
Provisions no longer required written back	51.62	66.25
Insurance (including key man insurance) (net)	-	70.00
Miscellaneous income	41.21	90.83
TOTAL	933.15	1,147.00

Notes to financial statements for the year ended March 31, 2015 (Contd.):

21. Cost of raw materials and components consumed

	Year ended March 31, 2015	Year ended March 31, 2014
Inventory at the beginning of the year	1,171.62	1,146.78
Add: Purchases	17,706.47	14,130.33
	18,878.09	15,277.11
Less: Inventory at the end of the year (Refer note 16)	(1,319.45)	(1,171.62)
Cost of raw materials and components consumed	17,558.64	14,105.49

Details of inventories:

(a) Details of raw materials and components consumed

	Year ended March 31, 2015	Year ended March 31, 2014
Carbon and alloy steel	16,425.89	13,134.63
Components	576.53	612.43
Die blocks, die and tools steel	556.22	358.43
TOTAL	17,558.64	14,105.49

(b) Imported and indigenous raw materials and components consumed

	Year ended March 31, 2015		Year ended March 31, 2014	
	(%)	In ₹ Million	(%)	In ₹ Million
Imported	3.92	688.26	4.93	695.30
Indigenous	96.08	16,870.38	95.07	13,410.19
TOTAL	100.00	17,558.64	100.00	14,105.49

- (c) In furnishing information under Note 21 (b), the view has been taken that particulars are required only in respect of items that are incorporated in the finished goods produced and not for such material used for maintenance of plant and machinery.

22. (Increase)/decrease in inventories of finished goods, work-in-progress and dies

	Year ended March 31, 2015	Year ended March 31, 2014	(Increase)/ decrease
Inventories at the end of the year (Refer note 16)			
Work-in-progress	2,094.60	1,994.99	(99.61)
Finished goods	57.14	29.62	(27.52)
Dies and dies under fabrication	1,094.37	1,067.30	(27.07)
Scrap	25.83	20.37	(5.46)
	3,271.94	3,112.28	(159.66)
Inventories at the beginning of the year (Refer note 16)			
Work-in-progress	1,994.99	1,560.50	(434.49)
Finished goods	29.62	126.90	97.28
Dies and dies under fabrication	1,067.30	1,034.03	(33.27)
Scrap	20.37	23.34	2.97
	3,112.28	2,744.77	(367.51)
	(159.66)	(367.51)	

Notes to financial statements for the year ended March 31, 2015 (Contd.):

23. Employee benefits expense

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus (including managing and whole time director's remuneration)	2,825.08	2,394.26
Contributions to		
- Provident fund	58.70	61.89
- Superannuation scheme	27.46	28.82
- Other funds/schemes	54.73	39.18
- Gratuity fund [Refer note 29]	84.36	35.87
- Special Gratuity fund [Refer note 29]	12.55	6.31
Employee voluntary retirement scheme compensation	4.78	1.39
Staff welfare expenses	251.64	220.74
TOTAL	3,319.30	2,788.46

24. Depreciation and amortization expense

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation on tangible assets [Refer note 11.1]	2,484.67	2,453.10
Amortization on intangible assets [Refer note 11.2]	20.45	0.05
TOTAL	2,505.12	2,453.15

25. Finance costs

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest on bank facilities	938.15	1,348.67
Interest on bills discounting	84.11	92.49
Bank charges including loan processing fees	96.09	54.56
TOTAL	1,118.35	1,495.72

Notes to financial statements for the year ended March 31, 2015 (Contd.):

26. Other expenses

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Consumption of stores, spares and tools	2,167.43	1,733.66
Machining charges	1,340.69	753.63
Power, fuel and water	3,594.55	3,250.21
Less: Credit for energy generated	(62.51)	(85.89)
	3,532.04	3,164.32
Repairs and maintenance		
- Building repairs and road maintenance	52.86	37.02
- Plant and machinery	623.47	436.45
Rent (Refer note 30)	16.53	12.95
Rates and taxes (including wealth tax)	30.82	28.51
Insurance (including key man insurance)	59.48	-
CSR Expenditure [Refer note 46]	112.31	-
Legal and professional fees	529.23	401.90
Commission and discount	56.87	79.12
Donations:		
a) Political parties *	40.00	62.50
b) Others	37.54	45.11
	77.54	107.61
Packing material	699.47	507.98
Freight forwarding charges	436.11	293.53
Directors' fees and travelling expenses	3.47	1.87
Commission to directors other than managing and whole time directors	10.00	10.00
Loss on sale of fixed assets (Net)	2.32	6.71
Provision for doubtful debts and advances	33.29	22.29
Bad debts/advances written off	58.35	0.44
Exchange difference (net)	262.91	-
Payment to Auditors (Refer details below)	13.61	10.46
Excise duty on (increase)/decrease of stock	(0.65)	0.33
Miscellaneous expenses **	1,344.28	1,220.72
TOTAL	11,462.43	8,829.50

* Donations to political parties includes those to Bharatiya Janata Party and Shiv Sena (Previous year: Bharatiya Janata Party, Shiv Sena, Maharashtra Pradesh Nationalist Congress Party, All India Congress Committee and Maharashtra Pradesh Congress Committee).

** Miscellaneous expenses includes travelling expenses, printing, stationery, postage, telephone etc.

Payment to auditors

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
As Auditor:		
- Audit fee	8.00	7.00
- Limited review	2.70	2.20
- Others (including certification fees)	2.42	1.10
Reimbursement of expenses	0.49	0.16
TOTAL	13.61	10.46

Above expenses include research and development expenditure for details of which refer note 45

Notes to financial statements for the year ended March 31, 2015 (Contd.):

27. Exceptional items

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Loss on sale of Investment [Refer note 27(a)]	41.21	-
Provision for expense of earlier year reversed [Refer note 27(b)]	(294.89)	
Provision for diminution in value of investments in subsidiaries [Refer note 27(c)]	290.00	308.14
Profit on sale of land [Refer note 27(d)]	-	(431.64)
TOTAL	36.32	(123.50)

(a) Loss on sale of Investment

During the year, the Company has divested its 50% stake in Impact Automotive Solutions Limited, which was formed in the year 2010 as a Joint Venture (JV). The stake was sold by the Company to the other JV Partner, resulting in loss of ₹ 41.21 Million on sale of investments.

(b) Provision for expense of earlier year reversed

Till previous year, the Company made provision towards LBT payable. However, the liability was not settled as there was no appropriate authority and the administrative mechanism. During the year based on the opinion obtained from the legal advisor, the liability has been reversed.

(c) Provision for diminution in value of investment in -

(i) BF Infrastructure Limited (BFIL)

In the previous year, considering the losses in the business activities carried out by BFIL, the Company had provided an amount of ₹ 308.14 Million towards diminution in the carrying cost of its investments.

(ii) BF Infrastructure Ventures Limited (BFIVL)

Considering the losses in the business activities carried out by BFIVL, the Company has provided an amount of ₹ 290.00 Million towards diminution in the carrying cost of its investments in current year.

(d) Profit on sale of land

During previous year, the Company sold its land situated at Jalgaon resulting in a gain of ₹ 431.64 Million.

28. Earnings per equity share (EPS)

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Numerator for basic and diluted EPS		
Net profit attributable to Shareholders as at March 31	7,189.84	3,999.29
Weighted average number of equity shares in calculating basic EPS		
Number of equity shares outstanding at the end of the year (nos.)	232,794,316	232,794,316
	232,794,316	232,794,316
EPS - Basic (in ₹)	30.88	17.18
Weighted average number of equity shares in calculating diluted EPS		
Number of equity shares outstanding at the beginning of the year (nos.)	232,794,316	232,794,316
	232,794,316	232,794,316
EPS - Diluted - (in ₹)	30.88	17.18

Notes to financial statements for the year ended March 31, 2015 (Contd.):

29. Gratuity and other post-employment benefit plans

(a) Gratuity plan

Funded scheme

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

Statement of profit and loss

Net employee benefit expense recognized in employee cost in statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	48.06	41.72
Interest cost on benefit obligation	52.79	44.62
Expected (return) on plan assets	(30.53)	(25.74)
Net actuarial loss/(gain) recognized in the year	14.04	(24.73)
Interest income	-	-
Net benefit expense	84.36	35.87
Actual return on plan assets	31.39	25.69

Balance sheet

Changes in the fair value of plan assets recognized in the balance sheet are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening fair value of plan assets	322.98	274.74
Expected return	30.53	25.74
Contribution by employer	69.85	63.67
Benefits (paid)	(37.34)	(41.12)
Actuarial gains/(losses)	0.85	(0.05)
Closing fair value of plan assets	386.87	322.98

Changes in the present value of the defined benefit obligation recognized in balance sheet are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	598.83	578.38
Interest cost	52.79	44.63
Current service cost	48.06	41.72
Benefits (paid)	(37.34)	(41.12)
Actuarial losses/(gains) on obligation	14.89	(24.78)
Closing defined benefit obligation	677.23	598.83

Notes to financial statements for the year ended March 31, 2015 (Contd.):

29. Gratuity and other post-employment benefit plans (Contd.):

(a) Gratuity plan (Contd.):

Benefit (liability)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets	386.87	322.98
Present value of defined benefit obligations	(677.23)	(598.83)
Plan (liability)	(290.36)	(275.85)

The Company expects to contribute ₹ 70.00 Million to gratuity fund in the next year (March 31, 2014: ₹ 65.00 Million)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2015	As at March 31, 2014
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	In % per annum	
	As at March 31, 2015	As at March 31, 2014
Discount rate	7.80%	9.10%
Expected rate of return on assets	9.00%	9.00%
Increment rate	6.00%	6.00%

The estimates of future salary 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 overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amount for the current and previous four periods are as follows:

	In ₹ Million				
	As at				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Plan assets	386.87	322.98	274.74	236.86	211.11
Defined benefit obligation	677.23	598.83	578.38	536.44	486.01
(Deficit)	(290.36)	(275.85)	(303.64)	(299.58)	(274.90)
Experience adjustments on plan liabilities	26.02	(6.00)	9.66	(2.69)	(59.59)
Experience adjustments on plan assets	0.85	(0.05)	2.90	1.10	(0.58)

Notes to financial statements for the year ended March 31, 2015 (Contd.):

29. Gratuity and other post-employment benefit plans (Contd.):

(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 five months based on last drawn basic salary. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

Statement of profit and loss

Net employee benefit expense recognized in employee cost in statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	8.30	0.09
Interest cost on benefit obligation	3.24	2.83
Expected return on plan assets	-	-
Net actuarial loss recognized in the period	1.01	3.39
Interest income	-	-
Net benefit expense	12.55	6.31
Actual return on plan assets	-	-

Balance sheet

Changes in the present value of the defined benefit obligation (recognized in balance sheet) are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	39.11	37.80
Interest cost	3.24	2.83
Current service cost	8.30	0.09
Benefits paid	(6.23)	(5.00)
Actuarial losses on obligation	1.01	3.39
Closing defined benefit obligation	45.43	39.11

Benefit (liability)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets	-	-
Present value of defined benefit obligations	(45.43)	(39.11)
Less : Unrecognized past service cost	-	-
Plan asset (liability)	(45.43)	(39.11)

Notes to financial statements for the year ended March 31, 2015 (Contd.):

29. Gratuity and other post-employment benefit plans (Contd.):

(b) Special gratuity (Contd.):

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	In % per annum	
	As at March 31, 2015	As at March 31, 2014
Discount rate	7.80%	9.00%
Increment rate	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous four periods are as follows:

	In ₹ Million				
	March 31, 2015	March 31, 2014	As at		March 31, 2011
			March 31, 2013	March 31, 2012	
Plan assets	-	-	-	-	-
Defined benefit obligation	45.43	39.11	37.80	40.13	45.37
Surplus/ (deficit)	(45.43)	(39.11)	(37.80)	(40.13)	(45.37)
Experience adjustments on plan liabilities	1.49	(5.04)	0.20	(2.69)	-
Experience adjustments on plan assets	-	-	-	-	-

(c) Provident fund

In accordance with 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 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.

Under 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 is as follows:

The Company has provided ₹ NIL towards shortfall in the interest payment on provident fund as per actuary report during the year ended March 31, 2015 (March 31, 2014: ₹ Nil Million)

The actuary has followed Black Scholes Option Pricing approach.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized as employee cost in statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	1.79	1.85
Interest cost on benefit obligation	-	0.95
Expected (return) on plan assets	(1.09)	(0.84)
Net actuarial loss/(gain) recognized in the period	9.21	(16.61)
Interest income	-	-
Net benefit expense/(income) #	9.91	(14.65)

As there is no present obligation, the expense has not been accounted for in the previous year.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

29. Gratuity and other post-employment benefit plans (Contd.):

(c) Provident fund (Contd.):

Balance sheet

Changes in the fair value of plan assets recognized in balance sheet are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening fair value of plan assets	12.09	9.28
Expected return	1.09	0.84
Contribution by employer	-	-
Benefits paid	-	-
Actuarial gains	3.40	1.97
Closing fair value of plan assets	16.58	12.09

Changes in the present value of guaranteed interest rate obligation:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening guaranteed interest rate obligation	-	11.84
Interest cost	-	0.95
Current service cost	1.79	1.85
Benefits paid	-	-
Actuarial losses/(gains) on obligation	12.61	(14.64)
Closing guaranteed interest rate obligation	14.40	-

Benefit asset/(liability)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets	16.58	12.09
Present value of guaranteed interest rate obligation	14.40	-
Plan asset/(liability) #	2.18	12.09

The Company has not recognized the plan asset in the books based on the concept of prudence.

Assumptions under the Black Scholes option pricing approach are as follows:

	In % per annum	
	As at March 31, 2015	As at March 31, 2014
Discount rate	7.80%	9.10%
Expected guaranteed rate	8.75%	8.75%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

29. Gratuity and other post-employment benefit plans (Contd.):

(c) Provident fund (Contd.):

Amount for the current and previous four periods are as follows:

	In ₹ Million				
	March 31, 2015	March 31, 2014	As at March 31, 2013	March 31, 2012	# March 31, 2011
Plan assets	16.58	12.09	9.28	2.36	-
Guaranteed interest rate obligation	14.40	-	11.84	-	-
Surplus/(deficit)	2.18	-	(2.56)	-	-
Experience adjustments on rate obligation	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Till year ended March 31, 2011, the interest shortfalls could not be computed by the actuaries since the Institute of Actuaries of India had not issued the final guidance on valuation of the same. In the year 2011-12 the Institute of Actuaries of India has issued the guidance note for measurement of provident fund liabilities, accordingly, the Company has started providing for interest shortfalls based on actuarial valuation since financial year 2011-12. Hence, data for the year ended March 31, 2011 is not available.

30. Leases

Operating leases: Company as lessee

The Company has entered into agreements in the nature of lease/leave and license agreement with different lessors/licensors for the purpose of establishment of office premises/residential accommodations etc. These are generally in nature of operating lease/leave and license. There are no transactions in the nature of sub lease. Period of agreements are generally for three years and renewal at the options of the lessee. There are no escalation clauses or restrictions placed upon the Company by entering into these leases.

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Lease rentals during the year		
- on cancellable leases	16.53	12.95
- on non-cancellable leases	-	-
	16.53	12.95

Operating leases: Company as lessor

The Company has entered into agreements in the nature of lease/leave and license agreement with different lessee/licensees for the purpose of land/building etc. These are generally in nature of operating lease. Period of agreements are generally for three to ten years and cancellable with a notice of thirty days to six months and renewal at the options of the lessee/lessor.

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Lease rentals during the year		
- on cancellable leases	3.20	2.40
- on non-cancellable leases	-	-
	3.20	2.40

31. Segment information

In accordance with paragraph 4 of notified Accounting Standard 17 (AS-17) "Segment Reporting" the Company has disclosed segment information only on the basis of the consolidated financial statements.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

32. Interest in joint ventures

	In ₹ Million	
	Percentage of ownership/interest	
	As at March 31, 2015	As at March 31, 2014
ALSTOM Bharat Forge Power Limited (incorporated in India) [Refer note 12(d)]		
Percentage of ownership/interest	49%	49%
Interest in assets, liabilities, income and expenditure with respect to jointly controlled entities are as follows:		
Current assets	2,895.33	3,050.46
Non-current assets	6,354.16	3,380.87
Current liabilities	(4,615.63)	(5,402.09)
Non-current liabilities	(3,002.72)	(440.29)
Equity	1,631.14	588.95
- Share of the Company in the contingent liabilities incurred by jointly controlled entity	-	-
- Share of the Company in the capital commitment of jointly controlled entity	912.43	1,964.68

	In ₹ Million	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Income		
Revenue from operations	5,427.58	3,936.47
Other income	45.91	69.77
	5,473.49	4,006.24
Expenses		
Material cost and erection services	4,655.87	3,451.77
Purchase of stock-in-trade (Casing)	9.81	-
Tender cost	12.16	54.35
Employee benefit expenses	305.79	165.21
Finance costs	59.17	-
Depreciation and amortization	11.05	4.75
Other expenses	208.74	153.55
	5,262.59	3,829.63
Profit before tax	210.90	176.61
Tax expenses		
Current tax	44.53	37.34
MAT credit entitlement	(10.66)	(20.80)
Deferred tax	48.09	6.29
Income tax adjustment of earlier year	(1.50)	-
MAT Credit Entitlement of earlier year	0.04	-
Profit after tax	130.40	153.78

Pursuant to the scheme of amalgamation the figures of current year are not comparable to those of previous year.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

32. Interest in joint ventures (Contd.):

	In ₹ Million	
	As at June 30, 2014 (Unaudited)	As at March 31, 2014
Impact Automotive Solutions Limited (incorporated in India) #		
Percentage of ownership/interest	50%	50%
Interest in assets, liabilities, income and expenditure with respect to jointly controlled entities are as follows:		
Current assets	31.60	65.28
Non-current assets	40.37	39.80
Current liabilities	(5.04)	(28.79)
Non current liabilities	(0.04)	(0.04)
Equity	66.89	76.25
- Share of the Company in the contingent liabilities incurred by jointly controlled entity	-	-
- Share of the Company in the capital commitment of jointly controlled entity	-	0.68
	In ₹ Million	
	For the period ended June 30, 2014 (Unaudited)	For the year ended March 31, 2014
Income		
Revenue from operations	0.17	2.77
Other income	0.64	2.15
	0.81	4.92
Expenses		
Cost of materials consumed	1.87	0.95
Purchases of Stock-in-trade	-	2.48
Changes in inventories of finished goods and work-in-progress	-	(0.01)
Employee benefit expenses	2.09	5.59
Depreciation and amortization expense	1.86	7.19
Other expenses	4.35	23.87
	10.17	40.07
Loss before tax	(9.36)	(35.15)
Current tax	-	-
Taxation for earlier years	-	0.09
Deferred tax	-	-
Loss after tax	(9.36)	(35.24)

Impact Automotive Solutions Limited financial information, for the period ended June 30, 2014, as disclosed above are unaudited and are based on management accounts as the investment in this company has been disposed off during the year. [Also refer note 27(a)].

Notes to financial statements for the year ended March 31, 2015 (Contd.):

32. Interest in joint ventures (Contd.):

	In ₹ Million	
	Percentage of ownership/interest	
	As at March 31, 2015	As at March 31, 2014
David Brown Bharat Forge Gear Systems India Limited (incorporated in India) (Joint venture of one of the subsidiary of the Company)		
Percentage of ownership/interest	50%	50%
Interest in assets, liabilities, income and expenditure with respect to jointly controlled entities are as follows:		
Current assets	31.02	33.68
Non-current assets	8.80	9.69
Current liabilities	(5.67)	(10.00)
Non-current liabilities	(0.40)	(0.12)
Equity	33.75	33.25
- Share of the Company in the contingent liabilities incurred by jointly controlled entity	-	-
- Share of the Company in the capital commitment of jointly controlled entity	-	-

	In ₹ Million	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Income		
Revenue from operations (net)	25.50	25.61
Other income	1.05	1.19
	26.55	26.80
Expenses		
Cost of raw material and components consumed	9.90	11.51
Changes in inventories of finished goods and work-in-progress	0.56	(0.60)
Employee benefits expense	6.21	6.48
Finance Cost	0.12	-
Depreciation and amortization expense	0.92	0.58
Other expenses	8.34	8.23
	26.05	26.20
Profit before tax	0.50	0.60

Notes

to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures

(i) Names of the related parties and related party relationship

Related parties where control exists

Subsidiaries	CDP Bharat Forge GmbH Bharat Forge America Inc. BF NTPC Energy Systems Limited Kalyani ALSTOM Power Limited (up to April 1, 2013) [Refer note 12(c)] BF Infrastructure Limited BF Infrastructure Ventures Limited Kalyani Strategic Systems Limited BF Elbit Advanced Systems Private Limited Kalyani Polytechnic Private Limited Analogic Controls India Limited (w.e.f. May 14, 2013)
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Step down subsidiaries

Bharat Forge Holding GmbH Bharat Forge Aluminiumtechnik GmbH & Co. KG Bharat Forge Aluminiumtechnik Verwaltungs GmbH Bharat Forge Beteiligungs GmbH Bharat Forge Kilsta AB Bharat Forge Scottish Stampings Limited (up to August 1, 2014) Bharat Forge Hong Kong Limited FAW Bharat Forge (Changchun) Co. Limited (up to November 12, 2013) Bharat Forge International Limited Bharat Forge Daun GmbH BF New Technologies GmbH Mecanique Generale Langroise (w.e.f. December 17, 2014)

Related parties with whom transactions have taken place during the year

Joint Ventures	ALSTOM Bharat Forge Power Limited Impact Automotive Solutions Limited (up to June 30, 2014)
Step down joint venture	David Brown Bharat Forge Gear Systems India Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Kalyani Carpenter Special Steels Limited Kalyani Steels Limited BF Utilities Limited Automotive Axles Limited

Key management personnel

Mr. B. N. Kalyani Mr. A. B. Kalyani Mr. G. K. Agarwal Mr. B. P. Kalyani Mr. S. E. Tandale Mr. S. K. Chaturvedi (up to December 31, 2013) Mr. K. M. Saletore (w.e.f. February 2, 2015)

Transactions and balances less than 10% of the total transactions and balances disclosed as "Others"

Notes to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures (Contd.):

(ii) Related party transactions

Sr. No.	Nature of transaction	Name of the related party and nature of relationship	In ₹ Million	
			Year ended	
			March 31, 2015	March 31, 2014
1	Purchase of goods	Step down subsidiaries		
		Bharat Forge Kilsta AB	-	0.04
			-	0.04
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Carpenter Special Steels Limited	10,811.12	9,367.63
		Kalyani Steels Limited	4,116.51	3,211.12
			14,927.63	12,578.75
			14,927.63	12,578.79
2	Services received	Enterprises owned or significantly influenced by key management personnel or their relatives		
		BF Utilities Limited	5.76	255.63
			5.76	255.63
3	Sale of goods	Step down subsidiaries		
		Bharat Forge International Limited	10,339.26	7,806.21
		Bharat Forge Kilsta AB	47.11	173.06
			10,386.37	7,979.27
		Joint ventures		
		ALSTOM Bharat Forge Power Limited	18.77	-
			18.77	-
		Step down joint ventures		
		David Brown Bharat Forge Gear Systems India Limited	2.62	2.69
			2.62	2.69
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Carpenter Special Steels Limited	1,842.92	1,511.91
		Automotive Axles Limited	168.34	93.55
		Kalyani Steels Limited	21.14	-
			2,032.40	1,605.46
			12,440.16	9,587.42
4	Sale of export incentive licence	Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Carpenter Special Steels Limited	16.24	24.91
			16.24	24.91
5	Services rendered	Subsidiaries		
		BF Elbit Advanced Systems Private Limited	0.80	-
			0.80	-
		Step down subsidiaries		
		Bharat Forge International Limited	-	33.73
			-	33.73
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Automotive Axles Limited	115.77	83.72
		Kalyani Carpenter Special Steels Limited	29.93	59.07
			145.70	142.79
			146.50	176.52
6	Purchase of fixed assets	Subsidiaries		
		CDP Bharat Forge GmbH	-	5.54
		Kalyani ALSTOM Power Limited	-	0.38
			-	5.92

Notes to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures (Contd.): (ii) Related party transactions (Contd.):

Sr. No.	Nature of transaction	Name of the related party and nature of relationship	In ₹ Million	
			Year ended	
			March 31, 2015	March 31, 2014
7	Reimbursement of expenses paid	Subsidiaries		
		Bharat Forge America Inc.	64.47	102.18
		CDP Bharat Forge GmbH	84.65	61.40
			149.12	163.58
		Step down subsidiaries		
		Bharat Forge Kilsta AB	8.72	4.06
		Bharat Forge International Limited	60.68	82.57
			69.40	86.63
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Carpenter Special Steels Limited	1.34	0.32
Kalyani Steels Limited	-	0.32		
	1.34	0.64		
		219.86	250.85	
8	Reimbursement of expenses received	Subsidiaries		
		BF Elbit Advanced Systems Private Limited	0.22	11.99
		CDP Bharat Forge GmbH	10.13	9.06
		Others	0.01	0.22
			10.36	21.27
		Step down subsidiaries		
		Bharat Forge International Limited	222.97	199.68
		Bharat Forge Kilsta AB	2.76	12.23
			225.73	211.91
		Enterprises owned or significantly influenced by key management personnel or their relatives		
Kalyani Carpenter Special Steels Limited	1.24	0.19		
Automotive Axles Limited	1.08	-		
Kalyani Steels Limited	0.17	0.39		
	2.49	0.58		
		238.58	233.76	
9	Finance provided: - Investments	Subsidiaries		
		BF Infrastructure Ventures Limited	-	400.00
		BF Infrastructure Limited	97.92	-
		CDP Bharat Forge GmbH	290.24	-
		Analogic Controls India Limited	-	103.20
			388.16	503.20
		Joint ventures		
		ALSTOM Bharat Forge Power Limited	994.13	-
		Impact Automotive Solutions Limited	-	50.00
			994.13	50.00
- Loan/ICD given	Subsidiaries	CDP Bharat Forge GmbH [includes exchange (gain)/loss]	(15.15)	29.92
		Analogic Controls India Limited	55.00	10.00
		BF Elbit Advanced Systems Private Limited	20.00	-
			59.85	39.92
	carried over	1,442.14	593.12	

Notes to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures (Contd.): (ii) Related party transactions (Contd.):

Sr. No.	Nature of transaction	Name of the related party and nature of relationship	In ₹ Million	
			Year ended	
			March 31, 2015	March 31, 2014
		brought over	1,442.14	593.12
	- Loan/ICD given (Contd.):	Enterprises owned or significantly influenced by key management personnel or their relatives		
		BF Utilities Limited	75.00	-
			75.00	-
	- Advance given	Subsidiaries		
		BF Infrastructure Limited	115.97	47.25
			115.97	47.25
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		BF Utilities Limited	-	10.00
			-	10.00
	- Share application money pending allotment	Joint ventures		
		Impact Automotive Solutions Limited	-	20.00
			-	20.00
			1,633.11	670.37
10	Interest on trad advance/ loan/ICD given	Subsidiaries		
		CDP Bharat Forge GmbH (loan)	2.38	48.93
		Analogic Controls India Limited (ICD)	3.38	0.88
			5.76	49.81
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Steels Limited (trade advance)	20.81	22.49
		BF Utilities Limited (ICD)	2.83	-
			23.64	22.49
			29.40	72.30
11	Advance from customers	Step down subsidiaries		
		Bharat Forge International Limited	7.23	-
			7.23	-
12	Managerial remuneration	Key management personnel		
		Mr. B. N. Kalyani	176.51	125.33
		Mr. A. B. Kalyani	51.92	40.26
		Mr. G. K. Agarwal	52.58	40.75
		Mr. S. E. Tandale	39.76	32.76
		Mr. S. K. Chaturvedi	-	23.53
		Mr. B. P. Kalyani	37.17	30.49
		Mr. K. M. Saletore #	28.34	-
			386.28	293.12
13	Dividend paid	Key management personnel		
		Mr. B. N. Kalyani	0.21	0.17
		Mr. A. B. Kalyani	1.93	1.54
		Mr. G. K. Agarwal	0.01	0.01
		Mr. B. P. Kalyani	0.02	0.01
			2.17	1.73
14	Provision for diminution in value of investment	Subsidiaries		
		BF Infrastructure Limited	-	308.14
		BF Infrastructure Ventures Limited	290.00	-
			290.00	308.14

Disclosed for the full year

Notes to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures (Contd.): (iii) Balance outstanding as at the year end

Sr. No.	Nature of transaction	Name of the related party and nature of relationship	In ₹ Million			
			As at			
			March 31, 2015	March 31, 2014		
1	Payable towards purchases	Step down subsidiaries				
		Bharat Forge Kilsta AB	0.04	0.04		
			0.04	0.04		
		Enterprises owned or significantly influenced by key management personnel or their relatives				
		Kalyani Carpenter Special Steels Limited	2,277.34	724.49		
		Kalyani Steels Limited	428.25	73.05		
			2,705.59	797.54		
			2,705.63	797.58		
		2	Payable towards services	Enterprises owned or significantly influenced by key management personnel or their relatives		
				BF Utilities Limited	0.78	1.52
	0.78			1.52		
3	Receivable for sale of goods	Subsidiaries				
		Kalyani ALSTOM Power Limited	-	0.20		
			-	0.20		
		Step down subsidiaries				
		Bharat Forge International Limited	456.77	1,222.23		
		Bharat Forge Kilsta AB	50.17	157.71		
			506.94	1,379.94		
		Step down joint ventures				
		David Brown Bharat Forge Gear Systems India Limited	2.66	1.68		
			2.66	1.68		
		Enterprises owned or significantly influenced by key management personnel or their relatives				
		Kalyani Carpenter Special Steels Limited	584.82	509.43		
		Others	42.05	41.83		
	626.87	551.26				
	1,136.47	1,933.08				
4	Receivable towards services	Subsidiaries				
		BF Elbit Advanced Systems Private Limited	0.90	-		
			0.90	-		
		Step down subsidiaries				
		Bharat Forge International Limited	-	1.32		
			-	1.32		
		Enterprises owned or significantly influenced by key management personnel or their relatives				
		Kalyani Carpenter Special Steels Limited	14.22	17.34		
		Automotive Axles Limited	34.59	20.35		
			48.81	37.69		
	49.71	39.01				

Notes to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures (Contd.): (iii) Balance outstanding as at the year end (Contd.):

Sr. No.	Nature of transaction	Name of the related party and nature of relationship	In ₹ Million				
			As at				
			March 31, 2015	March 31, 2014			
5 Reimbursement receivable	Subsidiaries	CDP Bharat Forge GmbH	28.30	19.97			
		Bharat Forge America Inc.	0.34	0.34			
		BF Elbit Advanced Systems Private Limited	43.81	43.81			
		Kalyani Strategic Systems Limited	0.20	0.20			
			72.65	64.32			
		Step down subsidiaries	Bharat Forge Kilsta AB	120.89	142.95		
			Bharat Forge International Limited	0.79	28.95		
			Bharat Forge Aluminiumtechnik GmbH & Co. KG	0.22	0.22		
				121.90	172.12		
		Joint ventures	ALSTOM Bharat Forge Power Limited	11.64	-		
				11.64	-		
		Enterprises owned or significantly influenced by key management personnel or their relatives	Kalyani Carpenter Special Steels Limited	0.12	0.01		
			Kalyani Steels Limited	0.03	0.04		
				0.15	0.05		
				206.34	236.49		
		6 Reimbursement payable	Subsidiaries	CDP Bharat Forge GmbH	208.17	123.51	
				Bharat Forge America Inc.	0.56	0.56	
					208.73	124.07	
				Step down subsidiaries	Bharat Forge Kilsta AB	24.24	18.51
					Bharat Forge International Limited	62.22	32.79
					Bharat Forge Beteiligungs GmbH	-	0.06
	86.46				51.36		
Enterprises owned or significantly influenced by key management personnel or their relatives	Kalyani Carpenter Special Steels Limited			-	0.32		
	Kalyani Steels Limited			-	0.32		
				-	0.64		
				295.19	176.07		
7 Investments balance	Subsidiaries			CDP Bharat Forge GmbH	3,963.96	3,673.72	
				Bharat Forge America Inc.	987.09	987.09	
				Kalyani ALSTOM Power Limited	-	259.09	
				Others	984.09	886.17	
					5,935.14	5,806.07	
				Joint ventures	ALSTOM Bharat Forge Power Limited	1,727.01	732.88
					Impact Automotive Solutions Limited	-	149.05
						1,727.01	881.93
					7,662.15	6,688.00	

Notes to financial statements for the year ended March 31, 2015 (Contd.):

33. Related Party disclosures (Contd.):

(iii) Balance outstanding as at the year end (Contd.):

Sr. No.	Nature of transaction	Name of the related party and nature of relationship	In ₹ Million	
			As at	
			March 31, 2015	March 31, 2014
8	Trade advance/loan/ICD given	Subsidiaries		
		CDP Bharat Forge GmbH (loan)	67.19	82.34
		Analogic Controls India Limited (ICD)	65.00	10.00
		BF Elbit Advanced Systems Private Limited (loan)	20.00	-
			152.19	92.34
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Steels Limited (trade advance)	770.00	770.00
		BF Utilities Limited (ICD)	75.00	-
			845.00	770.00
			997.19	862.34
9	Amounts recoverable	Subsidiaries		
		BF Infrastructure Ventures Limited	60.56	60.56
		BF Infrastructure Limited	65.31	47.25
			125.87	107.81
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		BF Utilities Limited	210.00	210.00
	210.00	210.00		
	335.87	317.81		
10	Share application money pending allotment	Joint ventures		
		Impact Automotive Solutions Limited	-	20.00
			-	20.00
11	Interest receivable	Subsidiaries		
		CDP Bharat Forge GmbH	111.93	109.55
		Analogic Controls India Limited	1.88	0.36
			113.81	109.91
		Enterprises owned or significantly influenced by key management personnel or their relatives		
		Kalyani Steels Limited	4.99	5.55
BF Utilities Limited	1.10	-		
	6.09	5.55		
	119.90	115.46		
12	Advance from customers	Step down subsidiaries		
		Bharat Forge International Limited	7.23	-
			7.23	-
		Enterprises owned or significantly influenced by key management personnel or their relatives		
Automotive Axles Limited	8.57	35.00		
	8.57	35.00		
	15.80	35.00		
13	Managerial remuneration payable*	Key management personnel		
		Mr. B. N. Kalyani	120.00	75.00
		Mr. A. B. Kalyani	24.00	15.00
		Mr. G. K. Agarwal	24.00	15.00
		Mr. S. E. Tandale	25.00	20.00
		Mr. S. K. Chaturvedi	-	4.50
		Mr. B. P. Kalyani	24.00	19.00
		Mr. K. M. Saletore	17.00	-
	234.00	148.50		
14	Provision for diminution in value of investment	Subsidiaries		
		Bharat Forge America Inc.	964.16	964.16
		BF Infrastructure Limited	308.14	308.14
		BF Infrastructure Ventures Limited	290.00	-
	1,562.30	1,272.30		

* Does not include gratuity and leave encashment since the same is considered for all employess of the Company as a whole

Notes to financial statements for the year ended March 31, 2015 (Contd.):

34. Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	26.53	23.45
Consumption of stores and spares	1.02	0.91
Others	3.94	3.65
	31.49	28.01

35. Contingent liabilities

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Sales bills discounted	11,748.53	7,103.34
of which:		
- Bills since realized	1,460.74	1,674.57
- Matured, overdue and outstanding since close of the period	-	-
Guarantees given by the Company on behalf of other companies:		
Balance Outstanding	1,454.90	1,457.92
(Maximum Amount)	(1,618.62)	(1,952.14)
Claims against the Company not acknowledged as Debts - to the extent ascertained * #	152.67	118.97
Excise/Service tax demands - matters under dispute #	392.81	358.51
Customs demands - matters under dispute #	50.97	50.97
Sales tax demands - matters under dispute #	14.05	-
Income tax demands - matters under dispute #	54.92	-

* The Claim against the Company comprise of dues in respect to personnel claims (amount unascertainable), local taxes etc.

The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised.
The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Note : In cases where the amount have been accrued, it has not been included here.

36. Capital and other commitments

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
(a) Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit and guarantee limit of ₹ 4,000 Million (March 31, 2014: ₹ 4,000 Million) for contracts undertaken by the Company and other matters are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares etc., book debts, subject to prior charge in their favour.	958.50	718.18
(b) Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances.	3,150.79	762.64
(c) For commitments relating to lease agreements, please refer note 30		
	4,109.29	1,480.82

The Company has provided the letter of support for certain subsidiaries.

(d) Performance guarantee:

The Company has along with ALSTOM Power Holdings S.A. given an irrecoverable and unconditional undertaking to NTPC Limited for technology transfer, training, execution and successful performance of steam turbines generator and auxiliary equipments supplied by ALSTOM Bharat Forge Power Limited, joint venture of the Company.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

37. Derivative instruments and unhedged foreign currency exposures

(i) Derivatives outstanding as at the reporting date

Nature of instrument	Currency	Purpose	As at March 31, 2015		As at March 31, 2014	
			Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Forward contracts	USD	Hedging of highly probable sales	567.10	35,438.08	328.32	19,672.93
Forward contracts	EUR	Hedging of highly probable sales	201.92	13,567.21	149.13	12,279.36

(ii) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Export trade receivables	USD	31.91	1,994.12	22.90	1,372.31
	EUR	8.48	569.64	7.38	608.08
	GBP	0.61	56.02	1.11	110.15
	JPY	-	-	3.24	1.89
Import trade payables	USD	1.19	74.39	0.65	38.96
	EUR	4.02	270.18	3.28	270.17
	GBP	0.06	5.55	0.01	1.00
	JPY	99.73	52.01	240.07	139.84
	SEK	0.04	0.29	0.09	0.83
Foreign currency term loan	USD	230.00	14,377.30	200.00	11,988.00
Packing credit	USD	10.00	625.10	9.58	574.04
	EUR	-	-	4.67	384.34
	GBP	0.50	46.23	1.00	99.63
Bank deposits	USD	7.82	488.81	2.06	123.22
	EUR	1.37	91.88	0.39	31.95
	GBP	0.03	3.21	-	-
Loan to subsidiary	EUR	1.00	67.19	1.00	82.34
Other receivables	EUR	2.86	202.09	2.07	207.02
	SEK	1.83	13.21	1.51	13.94
Other payables	USD	2.58	161.33	3.02	184.11
	EUR	1.05	70.55	1.03	84.86
Investments	EUR	62.46	3,963.96	58.76	3,673.72
	USD	21.60	22.93	21.60	22.93

Notes to financial statements for the year ended March 31, 2015 (Contd.):

38. Deferral/Capitalisation of exchange differences

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalized exchange loss, arising on long-term foreign currency loan to the cost of plant and equipments. The Company also has other long-term foreign currency monetary item, where the gain/(loss) due to fluctuation in foreign currency is accounted for as FCMITDA and disclosed under reserves and surplus.

Accordingly foreign exchange gain/(loss) adjusted against:

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Cost of the assets/Capital work-in-progress	(226.59)	(576.27)
FCMITDA	(243.96)	(683.38)
Amortized in the current year	(254.38)	(187.03)

39. Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
CDP Bharat Forge GmbH		
- Balance as at March 31	67.19	82.34
- Maximum amount outstanding during the year	82.34	1,850.92
BF Infrastructure Ventures Limited		
- Balance as at March 31	60.55	60.55
- Maximum amount outstanding during the year	60.55	457.26
BF Infrastructure Limited		
- Balance as at March 31	65.31	47.25
- Maximum amount outstanding during the year	107.67	47.25
BF Utilities Limited		
- Balance as at March 31	75.00	-
- Maximum amount outstanding during the year	75.00	-
BF Elbit Advanced Systems Private Limited		
- Balance as at March 31	20.00	-
- Maximum amount outstanding during the year	20.00	-

All advances are repayable on demand

40. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Principal amount due to suppliers under MSMED Act, 2006	-	-
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	201.92	44.95
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	1.10	0.09
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	2.08	0.98

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

Notes to financial statements for the year ended March 31, 2015 (Contd.):

41. Value of imports calculated on CIF basis

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Raw materials and components	670.93	590.88
Die blocks, die steel, tool steel and stores spares	680.26	592.35
Capital goods	523.30	217.00
TOTAL	1,874.49	1,400.23

42. Expenditure in foreign currency (on accrual basis)

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest [Including capitalized ₹ 81.05 Million (March 31, 2014: ₹ 42.75 Million)]	510.79	524.35
Interest on Bills discounting	77.94	83.21
Legal and professional fees	245.86	248.75
Commission and discount	53.14	82.77
Other expenses [Including capitalized ₹ 0.25 Million (March 31, 2014: ₹ 0.68 Million)]	398.08	412.52
TOTAL	1,285.81	1,351.60

43. Earnings in foreign currency (on accrual basis)

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
F.O.B. value of exports	27,010.76	18,268.67
Insurance and freight on exports	277.21	207.87
Die design and preparation charges	195.93	213.46
Interest on loan to subsidiary	2.38	48.93
Guarantee commission	10.13	9.06
TOTAL	27,496.41	18,747.99

44. (a) Exchange difference gain/(loss) on account of fluctuations in foreign currency rates

The net exchange differences gain/(losses) arising during the year on highly probable forecasted transaction relating to exports as a part of sales recognized in the statement of profit and loss is ₹ 2,114.63 Million (March 31, 2014: ₹ (522.37) Million).

(b) Deferred payment liabilities

Sales tax deferral incentives attached to the erstwhile windmill division, which was demerged to BF Utilities Limited (BFUL) under Section 392 and 394 of the erstwhile Companies Act, 1956 sanctioned by the High Court of the Judicature at Mumbai, have been passed on thereafter from year to year by the Company to the latter, under an arrangement, with all liabilities and obligations attached thereto taken over completely by BFUL. The net liability outstanding of BFUL after such pass on amounts to ₹ 615 Million (March 31, 2014: ₹ 708 Million).

Notes to financial statements for the year ended March 31, 2015 (Contd.):

45. Expenditure on research and development

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
A. On revenue account		
Manufacturing expenses:		
Materials	15.45	18.49
Stores, spares and tools consumed	28.44	37.60
Repairs and maintenance		
- Machinery repairs	8.52	4.17
Payments to and provision for employees		
- Salaries, wages, bonus, allowances, Contribution to provident and other funds and schemes etc.	178.54	126.52
Other expenses:		
Legal and professional charges	1.02	4.68
Membership fees	0.75	0.75
EDP expenses	25.96	18.72
Other expenses	25.39	18.43
TOTAL	284.07	229.36
B. On capital account		
Total research and development expenditure	(A+B) 421.35	26.71 256.07

46. CSR Expenditure

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
(a) Gross amount required to be spent by the Company during the year	71.17	NA

	In ₹ Million		
	Year ended March 31, 2015		
	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year on:			
(1) Promotion of education			
Donation	103.46	-	103.46
Miscellaneous expenses	2.68	-	2.68
	106.14	-	106.14
(2) Promoting gender equality and empowering women			
Miscellaneous expenses	0.46	-	0.46
	0.46	-	0.46
(3) Ensuring environmental sustainability			
Miscellaneous expenses	0.12	-	0.12
	0.12	-	0.12
(4) Employment enhancing vocational skills			
Stores	0.12	-	0.12
Power, fuel and water	0.35	-	0.35
Building repairs and road maintenance	0.36	-	0.36
Legal and professional fees	0.12	-	0.12
Miscellaneous expenses	1.27	-	1.27
	2.22	-	2.22
carried over	108.94	-	108.94

Notes to financial statements for the year ended March 31, 2015 (Contd.):

46. CSR Expenditure (Contd.):

		In ₹ Million		
(b) Amount spent during the year on (Contd.):		Year ended March 31, 2015		
		In cash	Yet to be paid in cash	Total
	brought over	108.94	-	108.94
(5) Promotion of Sports				
	Donations	1.05	-	1.05
	Miscellaneous expenses	0.13	-	0.13
		1.18	-	1.18
(6) Health and hygiene				
	Miscellaneous expenses	0.25	-	0.25
		0.25	-	0.25
(7) Mission Sanitation of School				
	Building repairs and road maintenance	1.56	-	1.56
		1.56	-	1.56
(8) Measures benefiting arms forces				
	Legal and professional fees	0.25	-	0.25
		0.25	-	0.25
(9) Others				
	Miscellaneous expenses	0.13	-	0.13
		0.13	-	0.13
	TOTAL	112.31	-	112.31

47. The financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.

48. Previous year figures have been regrouped/reclassified, where necessary, to conform to the current year's classification.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

For and on behalf of the Board of Directors

per ARVIND SETHI

Partner

Membership No. 89802

B. N. KALYANI
Chairman and Managing Director

G. K. AGARWAL
Deputy Managing Director

Place: Pune

Date: May 20, 2015

KISHORE SALETORE
Executive Director & CFO

ANAND DAGA
Company Secretary

Independent Auditor's Report

To The Members of Bharat Forge Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Bharat Forge Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the 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 jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of matter

We draw your attention to the following matters in the Notes to the financial statements:

Note 39 regarding the Mundra Lands current status with respect to management's contemplation about the future use for Mundra Location. The future outcome of the matter cannot presently be determined and hence no impact thereof has been considered by the management in the preparation and presentation of these consolidated financial statements. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, its subsidiaries, associate companies and jointly controlled entities incorporated in India, to whom the order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon 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;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 34 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.1(s) and Note 8 to the consolidated financial statements in respect of such items.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, associate companies and jointly controlled entities incorporated in India.

Independent Auditor's Report

Other matters

- a) We did not audit the financial information of all the overseas subsidiaries whose financial information, as stated in note 2.1(a) of consolidated financial statements, have been prepared under accounting principles other than accounting principles generally accepted in India ("Indian GAAP"), and which, in the aggregate, reflect total assets of ₹ 17,322.53 Million as at year ended December 31, 2014 and March 31, 2015 as applicable, revenues of ₹ 34,467.80 Million and net cash outflows of ₹ 450.22 Million, for the year ended December 31, 2014 and March 31, 2015 as applicable. The consolidated financial statements also include the Group's share of net (loss) of ₹ (54.82) Million for the year ended December 31, 2014 and March 31, 2015 as applicable, as considered in the consolidated financial statements, in respect of all overseas subsidiaries, whose financial statements have not been audited by us. We also did not audit the financial information of an overseas associate whose financial information reflects net income of ₹ Nil. Such financial information have been audited by other auditors who have submitted their audit opinions, prepared under International auditing standards, to the management of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial information and financial statements as the case may be of the Company's subsidiaries and associates to Indian GAAP, for the purpose of preparation of the accompanying consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors and our review of the aforesaid conversion process undertaken by the management. Our opinion is not qualified in respect of this matter.
- b) We did not audit the financial statements of all the domestic subsidiaries, jointly controlled entities, whose financial statements reflect total assets of ₹10,695.05 Million as at March 31, 2015, total revenues of ₹5,929.33 Million and net cash flows amounting to ₹84.42 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 53.86 Million for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of all domestic associates, whose financial statements have not been audited by us. These financial statements are audited by other auditors and 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, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such audited financial statements. Our opinion is not qualified in respect of this matter.
- c) We did not audit the financial statements of Impact Automotive Solutions Limited ("Impact"), a domestic joint controlled entity, whose financial information included in the accompanying consolidated financial statements, reflects total assets of ₹ Nil as at June 30, 2014, total revenues of ₹ 0.17 Million and net cash outflows amounting to ₹ 58.04 Million for the period ended June 30, 2014. Such financial information has not been audited but has been approved by the Management and has been furnished to us. Our opinion, in so far as it relates to the affairs of such joint controlled entity is based solely on the Management certified accounts. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group. Our opinion is not qualified in respect of this matter.

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 and the financial statements and other financial information certified by the Management.

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Arvind Sethi
 Partner
 Membership No.: 89802
 Place of signature: Pune
 Date: May 20, 2015

Annexure referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

The Group, comprising Bharat Forge Limited (‘Holding Company’) and its subsidiaries, joint controlled entities and associates incorporated in India and to whom the provisions of the Order apply (together referred to as “the Covered entities” in this report) is tabulated below:

Name of the Company	Relationship
BF NTPC Energy Systems Limited	Subsidiary
BF Infrastructure Limited	Subsidiary
BF Infrastructure Ventures Limited	Subsidiary
Kalyani Strategic Systems Limited	Subsidiary
BF Elbit Advances Systems Private Limited	Subsidiary
Analogic Controls India Limited	Subsidiary
Alstom Bharat Forge Power Limited	Joint controlled entity
David Brown Bharat Forge Gear Systems India Limited*	Joint controlled entity
Ferrovial Transrail Solutions Private Limited*	Associate

*held through subsidiaries

- i. (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company, its subsidiaries, joint controlled entities and associate during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, joint controlled entities and associate, is reasonable having regard to the size of the Holding Company and the Covered entities of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The inventory has been physically verified by the management of the Holding Company and the Covered entities of the Group during the year. In our opinion and as reported by the other auditors who audited the financial statements of the other Covered entities of the Group, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end. In respect of two subsidiaries as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, “The Company does not have any inventory and accordingly clauses (ii) (a), (b) and (c) of the Companies (Auditors’ report) Order, 2015 (as amended) are not applicable”.
- (b) The procedures of physical verification of inventory followed by the management of the Holding company and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, joint controlled entity and associate, are reasonable and adequate in relation to the size and the nature of their business of the Holding Company and the applicable Covered entities of the Group. In respect of two subsidiaries as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, “The Company does not have any inventory and accordingly clauses (ii) (a), (b) and (c) of the Companies (Auditors’ report) Order, 2015 (as amended) are not applicable”.
- (c) The Holding Company and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, joint controlled entity and associate Covered entities are maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account of the respective Covered entities of the Group. In respect of

Independent Auditor's Report

two subsidiaries as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, "The Company does not have any inventory and accordingly clauses (ii) (a), (b) and (c) of the Companies (Auditors' report) Order, 2015 (as amended) are not applicable".

- iii. (a) The Holding Company has granted unsecured loan to one party covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand and payment of interest has been regular. Covered entities of the Group and as reported by the other auditors who audited the financial statements of the Covered entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
 - (b) There is no overdue amount of loans granted by the Holding Company to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of certain Covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- v. The Holding Company has not accepted any deposits from the public. Therefore, in our opinion, the provisions of clause (v) of the Order are not applicable to the Company. According to the information and explanations given to us, in respect of deposits accepted earlier under relevant provisions of the Companies Act, 1956, and the rules framed thereunder, there are certain unclaimed deposit amounting to ₹ 0.04 Million including interest thereon subject to litigation. In respect of Covered entities and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, joint controlled entities and associate, this clause is not applicable as no deposits were accepted under the relevant provisions.
- vi. We and as reported by the other auditors who audited the financial statements of the aforesaid subsidiaries, joint controlled entities and associate have broadly reviewed the books of account maintained by the Holding Company and one joint controlled entity to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of forged products and others as applicable, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors. Further, as reported by the other auditors of certain Covered entities the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products of such Covered entities of the Group.
- vii. (a) According to the information and explanations given to us, the Holding Company and as reported by the other auditors who audited the Covered entities, the Holding company and the Covered entities are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective Covered entities.
 - (b) According to the information and explanations given to us and as reported by the other auditors who audited the Covered entities, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and

other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and Covered entities of the Group.

- (c) According to the records of the Holding Company and as reported by the other auditors who audited the Covered entities, the holding company and the Covered entities of the Group the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, property tax and cess on account of any dispute, are as follows:

Holding Company:

Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Demand received from various cases (₹ 23.39 Million paid under protest)	47.23	A.Y 2006 to 2015	Commissioner appeals/CESTAT
Central Excise Act, 1944	Demand received from various cases (₹ 4.85 Million paid under protest)	126.44	A.Y 2004 to 2015	Commissioner appeals/CESTAT
Property tax	Demand received from various cases (₹ 223.26 Million paid under protest)	108.92	A.Y 2005 to 2015	High Court
Income tax Act, 1961	Non deduction of withholding taxes u/s 195 (₹ 54.92 Million paid under protest)	-	A.Y 2013 - 2014	CIT Appeals

Covered entity(Associate)- Ferrovial Transrail Solutions Private Limited

"According to the information and explanations given to us, the dues outstanding of sale tax on account of dispute, are as follows:"

Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
Bihar Act	Entry tax	182.44	FY 2013-2014	High court

Covered entity(subsidiary)- Analogic Controls India Limited

"According to the records of the Company, there are no dues of income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess which have not been deposited on account of any dispute, save and except the following:"

Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Dues on Regular Assessment for which the Company has filed appeal	0.66	Assessment Year 2005-06.	The Commissioner of Income tax (Appeals) - II, Hyderabad.
The Central Excise Act,1944/Central Excise Rules,2002	Central Excise Duty and Penalty	1.35	From January 2008 to March 2009.	The Central Excise and Service Tax Appellate Tribunal, Bengaluru

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Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where the dispute is pending
AP VAT Act, 2005.	State Value Added Tax and Penalty	14.05	From April 2008 to January 2014	Appellate Deputy Commissioner (CT), PG Division, Hyderabad

For other Covered entities of the Group and as reported by the other auditors who audited the financial statements of the Covered entities, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

- (d) According to the information and explanations given to us, other than the unclaimed dividend amount subject to litigation, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time for the Holding Company. According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of certain Covered entities of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time to the extent applicable to the Covered entities.
- viii. The Holding Company and one joint controlled entity of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year except for two subsidiaries. The other auditor who audited the financial statements of the subsidiaries has reported that, "The Company's accumulated losses as at the end of the year exceeded fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by this report and also in the preceding financial year." In respect of two subsidiaries and one associate the other auditor who audited the financial statements of the subsidiaries and associate has reported that, "The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year". In respect of one subsidiary and one joint controlled entity the other auditor who audited the financial statements of the subsidiary and joint controlled entity has reported that, this clause is not applicable to them.
- ix. Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements of certain Covered entities, of the Group, we are of the opinion that the Holding Company and certain Covered entities of the Group have not defaulted in their repayment of dues to financial institution, bank or debenture holders. In respect of two subsidiaries the other auditor who audited the financial statements of the subsidiaries has reported that "Clause (ix) of the Companies (Auditors' Report) Order, 2015 is not applicable".
- x. According to the information and explanations given to us, the Holding Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. In respect of one subsidiary and one associate the other auditor who audited the financial statements of the subsidiary and associate has reported that, "The Company has given corporate guarantee for loans taken by its other Company from the banks, which is not prejudicial to the interest of the Company". In respect of five subsidiaries and two joint controlled entities the other auditor who audited the financial statements of the subsidiaries and joint controlled entities has reported that "The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year".

- xi. Based on the information and explanations given to us by the management and the report of other auditors who audited the financial statements of Holding Company, four subsidiaries, one Joint controlled entity and one associate of the Group, term loans were applied for the purpose for which the loans were obtained. In respect of two subsidiaries and one Joint controlled entity the other auditor who audited the financial statements of the subsidiaries and Joint controlled entity has reported that this clause is not applicable to them.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of other Covered entities of the Group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For S R B C & CO. LLP
ICAI Firm Registration Number: 324982E
Chartered Accountants

per Arvind Sethi
Partner
Membership No.: 89802
Place: Pune
Date: May 20, 2015

Consolidated balance sheet as at March 31, 2015

		(in ₹ Million)	
	Note	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' Fund			
Share capital	3	465.68	465.68
Reserves and surplus	4	33,975.95	26,366.73
		34,441.63	26,832.41
Minority interest			
		-	170.18
Non-current liabilities			
Long-term borrowings	5	19,815.10	15,212.01
Deferred tax liabilities (net)	6	1,637.69	1,644.60
Other long-term liabilities	7	595.44	180.63
Long-term provisions	8	1,196.94	1,157.39
		23,245.17	18,194.63
Current liabilities			
Short-term borrowings	9	3,830.26	4,861.61
Trade payables	10	11,016.01	10,554.22
Other current liabilities	10	8,036.48	13,003.41
Short-term provisions	8	1,789.56	1,728.61
		24,672.31	30,147.85
	TOTAL	82,359.11	75,345.07
Assets			
Minority interest			
		20.40	-
Non-current assets			
Fixed Assets			
Tangible assets	11.1	25,601.97	25,104.87
Intangible assets	11.2	147.66	178.56
Capital work-in-progress	11.3	8,585.89	5,826.71
Goodwill arising on consolidation		537.24	56.80
Non-current investments	12	388.89	290.61
Long-term loans and advances	13	2,402.48	2,361.30
Other non-current assets	14	232.50	261.77
		37,896.63	34,080.62
Current assets			
Current investments	15	4,566.46	7,721.38
Inventories	16	10,338.95	10,385.81
Trade receivables	17	8,534.67	8,659.72
Cash and bank balances	18	6,819.93	4,227.35
Short-term loans and advances	13	5,612.05	5,397.48
Other current assets	14	8,568.99	4,871.38
Assets held for sale	41	1.03	1.33
		44,442.08	41,264.45
	TOTAL	82,359.11	75,345.07
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

For and on behalf of the Board of Directors

per ARVIND SETHI

Partner

Membership No. 89802

B. N. KALYANI
Chairman and Managing Director

G. K. AGARWAL
Deputy Managing Director

Place: Pune

Date: May 20, 2015

KISHORE SALETORÉ
Executive Director & CFO

ANAND DAGA
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(in ₹ Million)

	Note	Year ended March 31, 2015	₹ Year ended March 31, 2014
Continuing operations			
Income			
Revenue from operations (gross)		77,895.54	68,666.97
Less: excise duty		(1,648.05)	(1,508.53)
Revenue from operations (net)	19	76,247.49	67,158.44
Other income	20	1,367.55	1,246.82
Total revenue (I)		77,615.04	68,405.26
Expenses			
Cost of raw material and components consumed	21	28,657.86	25,416.92
Decrease/(Increase) in inventories of finished goods, work-in-progress and dies	22	178.96	(807.92)
Project cost	21 (a)	4,974.60	7,628.76
Employee benefits expense	23	9,051.10	7,887.67
Depreciation and amortization expense	24	3,624.21	3,571.48
Finance costs	25	1,355.96	1,691.52
Other expenses	26	18,977.10	16,731.48
Total expenses (II)		66,819.79	62,119.91
Profit before exceptional items and tax [(I) - (II)]		10,795.25	6,285.35
Exceptional items	27	427.57	1,037.07
Profit before tax		11,222.82	7,322.42
Tax expenses			
Current tax			
- Pertaining to profit for the year (including MAT)		3,603.69	1,744.18
- Adjustment of tax relating to earlier years		(27.04)	(6.60)
- Share in MAT payable of Joint Venture		44.53	37.34
- Share in MAT credit entitlement of Joint Venture		(12.12)	(20.80)
Deferred tax		(70.29)	339.65
Share in deferred tax of Joint Venture		48.09	6.38
Total tax expenses		3,586.86	2,100.15
Profit for the year		7,635.96	5,222.27

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(in ₹ Million)

	Note	Year ended March 31, 2015	₹ Year ended March 31, 2014
Share in associate's profit/(loss) after tax		0.01	(0.02)
Share of (loss) of minority		(29.75)	(28.49)
Profit for the year after minority interest from continuing operations (A)		7,665.72	5,250.74
Discontinuing operations			
Loss before tax from discontinuing operations		(40.63)	(394.41)
Tax expenses of discontinuing operations		(0.27)	2.90
(Loss) after tax from discontinuing operations		(40.36)	(397.31)
Minority interest		-	(131.86)
(Loss) after minority interest from discontinuing operations (B)		(40.36)	(265.45)
Profit for the year after minority interest (A + B)		7,625.36	4,985.29
Earnings per equity share [nominal value of share ₹2/- (March 31, 2014: ₹2/-)]	28		
On the basis of profit from continuing operations			
Basic and Diluted (In ₹)		32.93	22.56
On the basis of total profit for the year			
Basic and Diluted (In ₹)		32.76	21.41
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

For and on behalf of the Board of Directors

per ARVIND SETHI

Partner

Membership No. 89802

B. N. KALYANI

Chairman and Managing Director

G. K. AGARWAL

Deputy Managing Director

Place: Pune

Date: May 20, 2015

KISHORE SALETORE

Executive Director & CFO

ANAND DAGA

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2015

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Cash flow from operating activities		
Profit before tax	11,222.82	7,322.42
Add /(Less) : Share of (Profit)/Loss in Associate	0.01	(0.02)
	11,222.83	7,322.40
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	3,624.21	3,571.48
Unrealised foreign exchange loss/(gain)	385.19	148.90
Bad debts, irrecoverable advances and sundry balances written off	104.34	6.28
Loss/(profit) on sale of fixed assets	0.98	(431.64)
Provision for expense of earlier year reversed	(294.89)	-
Profit on disposal of subsidiary	(132.68)	(605.44)
Interest expenses	1,355.96	1,691.52
Provision for doubtful debts and advances written off/(back)	43.58	56.87
Dividend (income)	(403.75)	(394.76)
Net (gain)/loss on sale of investments	(80.73)	(58.26)
Provisions no longer required	(183.03)	(92.31)
Interest (income)	(199.42)	(206.29)
Goodwill on consolidation written off	29.10	-
Effects of consolidation*	159.74	133.76
Operating profit before working capital changes	15,631.43	11,142.51
Movements in working capital :		
(Increase)/decrease in non-current assets		
(Increase)/decrease in long-term loans and advances	(141.78)	339.75
Decrease in long-term loans and advances due to disposal of joint venture	14.16	-
Decrease in other non-current assets	29.32	112.64
(Increase)/decrease in current assets		
Decrease/(increase) in inventories	35.55	(1,252.91)
Decrease in inventory due to disposal of joint venture/subsidiary	11.31	2,187.29
(Increase) in trade receivables	(177.70)	(1,978.31)
Decrease in trade receivable due to disposal of joint venture/subsidiary	0.15	1,523.72
(Increase) in short-term loans and advances	(233.97)	(868.50)
Decrease in short-term loans and advances due to disposal of joint venture	2.62	-
(Increase) in other current assets	(347.26)	(1,267.38)
Decrease in other current assets due to disposal of subsidiary	-	293.74
Increase/ (decrease) in non-current liabilities		
Increase/(decrease) in other long-term liabilities	414.81	(202.17)
Increase in long term provisions	39.59	99.26
(Decrease) in long term provisions due to disposal of joint venture	(0.04)	-
Increase / (decrease) in current liabilities		
Increase in trade payables	694.12	4,066.59
(Decrease) in trade payable due to disposal of joint venture/subsidiary	(1.77)	(2,779.42)
(Decrease) in other current liabilities	(1,266.64)	(2,821.31)
(Decrease) in other current liabilities due to disposal of joint venture/ subsidiary	(3.28)	(219.03)
(Decrease)/increase in short term provisions	(308.70)	1,172.14
(Decrease) in short term provision due to disposal of subsidiary	-	(35.35)
Cash generated from operations	14,391.92	9,513.26
Direct taxes paid (net of refunds)	(4,088.42)	(2,112.80)
Add/Less: Minority interest's share of profit/loss	29.75	28.49
Add/Less: Profit / (loss) from discontinued operations	(40.36)	(265.45)
Net cash flows from operating activities	(A) 10,292.89	7,163.50

Consolidated Cash Flow Statement for the year ended March 31, 2015

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Cash flows from investing activities		
Investment in subsidiaries, associates and others	(98.28)	(32.54)
Proceeds from disposal of investment in joint venture/subsidiary	107.84	1,871.46
Investment in mutual funds	(22,185.59)	(16,323.46)
Proceeds from sale of mutual funds	25,421.24	12,534.78
Purchase of fixed assets including capital work in progress and capital advances	(7,171.84)	(6,751.22)
Proceeds from sale of fixed assets	58.48	908.25
Movement in fixed assets on disposal of subsidiary	24.78	5,640.29
Interest received	180.44	230.48
Investments in bank deposits (having original maturity of more than three months)	(3,265.09)	(1,767.31)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	1,907.87	1,420.00
Dividend received	403.75	394.76
Net cash flows (used in) investing activities	(B) (4,616.40)	(1,874.51)
Cash flows from financing activities		
Proceeds from long term borrowings	6,546.48	4,103.43
Repayment of long term borrowings	(6,134.55)	(4,712.13)
Decrease in long term loans due to disposal of subsidiary	-	(2,669.34)
Proceeds from short term borrowings	5,749.50	6,100.07
Repayment of short term borrowings	(6,781.97)	(2,123.45)
Decrease in short term loans due to disposal of subsidiary	-	(4,175.89)
Interest expenses	(1,459.63)	(1,701.55)
Dividend including tax thereon	(1,518.91)	(1,220.95)
Net cash flows (used in) financing activities	(C) (3,599.08)	(6,399.81)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 2,077.41	(1,110.82)
Effects of exchange difference on cash and cash equivalent held in foreign currency	-	0.01
Cash and cash equivalents at the beginning of the year	2,396.81	4,074.04
Cash and cash equivalents at the end of the year	4,474.22	2,963.23
Foreign currency translation reserve movement	(844.71)	(566.42)
Cash and cash equivalents at the end of the year	3,629.51	2,396.81
Components of cash and cash equivalents as at (Refer note 18)	March 31, 2015	March 31, 2014
Cash on hand	1.77	1.76
Balances with banks:		
- on current accounts	2,597.73	1,905.05
- on deposit accounts	1,030.01	490.00
	3,629.51	2,396.81

Notes :

- The figures in brackets represent outflows/adjustments
- Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current year presentation.

* Primarily includes impact of foreign currency translation and other consolidation adjustments.

As per our report of even date

For S R B C & Co. LLP

ICAI Firm registration No. 324982E

Chartered Accountants

per ARVIND SETHI

Partner

Membership No. 89802

Place: Pune

Date: May 20, 2015

B. N. KALYANI

Chairman and Managing Director

KISHORE SALETORÉ

Executive Director & CFO

For and on behalf of the Board of Directors

G. K. AGARWAL

Deputy Managing Director

ANAND DAGA

Company Secretary

Notes to consolidated financial statements for the year ended March 31, 2015

1 Corporate information

Bharat Forge Limited ("the Company") is a public company domiciled in India. Its shares are listed on three stock exchanges in India. The Company is engaged in the manufacturing and selling of forged components. The Company caters to both domestic and international markets. The Company's CIN is L25209PN1961PLC012046

2 Basis of preparation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates and joint controlled entities (together referred to as 'the Group'). These consolidated financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material aspects with accounting principles generally accepted in India, including the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. These consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Principles of consolidation

These consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" as notified.

These consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its standalone financial statements.

In respect of certain overseas subsidiaries the financial information are prepared under International Financial Reporting Standards ('IFRS') as adopted by European Union, or under accounting principles accepted in the United States of America ('US GAAP') or under accounting principles accepted in the United Kingdom ('UK GAAP'). The consolidated financial statements in respect of overseas subsidiaries/associate companies (other than Bharat Forge International Limited) are drawn for the year ended December 31, 2014, whereas the financial statements of the Company are drawn for the year ended March 31, 2015. The effect of significant transactions and other events that occur between January 1, 2015 and March 31, 2015 are considered in the consolidated financial statements if it is material in nature. The financial statements of Bharat Forge International Limited have been prepared for the year ended March 31, 2015. The financial statements of Indian subsidiaries/associates/joint controlled entities have been drawn for the year ended March 31, 2015. The Group has converted these audited financial information and financial statements, as the case may be, to accounting principles generally accepted in India, for the purpose of preparation of the Group's consolidated financial statements under accounting principles generally accepted in India.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases to exist.

The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The unrealised profits or losses resulting from the intra group transactions and intra group balances have been eliminated in full. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

The excess of the cost to the Company of its investment in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the consolidated financial statements as goodwill and is tested for impairment annually. The excess of the Company's portion of equity of the subsidiary over the cost of investment therein is treated as capital reserve.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

Share of minority in the net profit is adjusted against the income to arrive at the net income attributable to shareholders of the parent Company. Minority interest's share of net assets/liability is presented separately in the balance sheet.

If the losses attributable to the minority in a subsidiary exceed the minority's share in equity of the subsidiary, then the excess, and any further losses applicable to the minority, are adjusted against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been adjusted.

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 minority interest;
- derecognises the cumulative translation differences, recorded in foreign currency translation reserve;
- recognises fair value of the consideration received;
- recognises the carrying value of any investment retained;
- recognises any surplus or deficit in consolidated statement of profit and loss;

Associates

The Group's investment in its associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The consolidated statement of profit and loss reflects the share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise decline, other than temporary, in the value of the Group's investment in its associates, such reduction being determined and made for each investment individually. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired.

Joint controlled entities

The Group recognises its interest in the joint controlled entities using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

List of subsidiaries which are included in the consolidation and the Company's effective holdings therein are as under:

Name of the company	Country of incorporation	Parent's ultimate holding as on		Financial year ends on
		March 31, 2015	March 31, 2014	
CDP Bharat Forge GmbH and its wholly owned subsidiary:	Germany	100%	100%	December 31, 2014
i. Bharat Forge Holding GmbH and its wholly owned subsidiary	Germany	100%*	100%*	December 31, 2014
- Bharat Forge Aluminiumtechnik GmbH & Co KG and its wholly owned subsidiary	Germany	100%*	100%*	December 31, 2014
- Bharat Forge Aluminiumtechnik Verwaltungs GmbH	Germany	100%*	100%*	December 31, 2014
ii. Bharat Forge Beteiligungs GmbH and its wholly owned subsidiary	Germany	100%*	100%*	December 31, 2014
a. Bharat Forge Kilsta AB Sweden and its wholly owned subsidiary	Sweden	100%*	100%*	December 31, 2014
- Bharat Forge Scottish Stampings Ltd.	Scotland	Closed (upto August, 2014)	100%*	NA
b. Bharat Forge Hong Kong Limited and its Subsidiary	Hong Kong	100%*	100%*	December 31, 2014
FAW Bharat Forge (Changchun) Company Ltd.	China	Closed	52%* (up to Nov 12, 2013)	NA
c. Bharat Forge International Limited	U.K.	100%*	100%*	March 31, 2015
iii. Bharat Forge Daun GmbH	Germany	100%*	100%*	December 31, 2014
iv. BF New Technologies GmbH	Germany	100%*	100%*	December 31, 2014
v. Mécanique Générale Langroise	Germany	100%*	100%*	December 31, 2014
Bharat Forge America Inc.	U.S.A.	100%	100%	December 31, 2014
BF NTPC Energy Systems Limited.	India	51%	51%	March 31, 2015
BF Infrastructure Limited	India	100%	100%	March 31, 2015
BF Infrastructure Ventures Limited	India	100%	100%	March 31, 2015
Kalyani Strategic Systems Limited	India	100%	100%	March 31, 2015
Kalyani ALSTOM Power Limited (Merger from April 1, 2013)	India	Closed	51%	NA
BF Elbit Advances Systems Private Limited	India	74%	100%	March 31, 2015
Analogic Controls India Limited	India	60%	60%	March 31, 2015

* held through subsidiaries

List of Subsidiaries which are not included in the consolidation based on materiality or where control is intended to be temporary/ restricted:

Name of the company	Country of incorporation	Parent's ultimate holding as on		Financial year ends on
		March 31, 2015	March 31, 2014	
Kalyani Polytechnic Private Limited	India	100%	100%	March 31, 2015

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

List of associates which are not included in the consolidation based on materiality or where control is intended to be temporary/ restricted:

Name of the company	Country of incorporation	Parent's ultimate holding as on		Financial year ends on
		March 31, 2015	March 31, 2014	
Talbahn GmbH (shares held through subsidiary)	Germany	35%	35%	December 31, 2014
Tecnica UK Limited (shares held through subsidiary)	UK	30%	30%	December 31, 2014

Details of the Company's ownership interest in associate, which have been included in the consolidation, are as follows:-

Name of the company	Country of incorporation	Parent's ultimate holding as on		Financial year ends on
		March 31, 2015	March 31, 2014	
Ferrovia Transrail Solutions Private Limited	India	49%	49%	March 31, 2015

Details of the Company's carrying amount of investment in associate, which have been included in the consolidation, are as follows:-

(in Million)

Name of the Company	Year	Original cost of investment	Goodwill	Accumulated profit/(loss) as on December 31, 2014/March 31, 2015	Provision for diminution	Carrying amount of investment as at December 31, 2014
Tecnica UK Limited (shares held through subsidiary)	Current	1.97	2.75	-	-	1.97
	Previous	1.97	2.75	1.96	-	1.97
Ferrovia Transrail Solutions Private Limited	Current	0.05	-	0.03	-	0.05
	Previous	0.05	-	1.86	-	0.05

(Figures in bracket represents previous year) Tecnica UK was consolidated in the previous year on the basis of management accounts.

Details of the Company's ownership interest in joint venture, which have been included in the consolidation are as follows:-

Name of the jointly controlled entities	Country of incorporation	Parent's ultimate holding as on		Financial year ends on
		March 31, 2015	March 31, 2014	
ALSTOM Bharat Forge Power Limited	India	49%	49%	March 31, 2015
Impact Automotive Solutions Private Limited	India	(upto June 30, 2014)	50%	NA
David Brown Bharat Forge Gear Systems India Limited*	India	50%	50%	March 31, 2015
BFIL-CEC JV*	India	74%	74%	March 31, 2015

* held through subsidiaries

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

Disclosure of additional information pertaining to the parent company, subsidiaries and joint ventures:

(In ₹ Million)

Name of the company	Net assets (Total assets - total liabilities)		Share in profit and loss	
	As a % of consolidated net assets	Net assets	As a % of consolidated profit or loss	Profit/(Loss)
Parent Company				
Bharat Forge Limited	101.56%	34,956.74	94.29%	7,189.84
Indian subsidiaries				
BF NTPC Energy Systems Ltd.	0.15%	50.23	(0.04)%	(2.95)
B F Infrastructure Limited	0.55%	189.47	0.01%	0.54
B F Infrastructure Ventures Limited	1.15%	396.33	0.00%	(0.05)
Kalyani Strategic Systems Limited	0.00%	(0.25)	0.00%	(0.04)
BF Elbit Advanced Systems Private Limited	(0.14)%	(46.74)	(0.05)%	(3.70)
Analogic Controls India Limited	(0.33)%	(112.91)	(0.93)%	(70.72)
Foreign subsidiaries				
CDP Bharat Forge GmbH	18.54%	6,382.13	2.30%	175.22
Bharat Forge Holding GmbH	1.13%	390.32	0.19%	14.60
Bharat Forge Aluminiumtechnik GmbH & Co. KG	3.05%	1,051.30	1.13%	85.85
Bharat Forge Aluminiumtechnik Verwaltungs GmbH	0.02%	5.38	0.00%	0.35
Bharat Forge Beteiligungs GmbH	7.40%	2,546.12	(0.34)%	(26.23)
Bharat Forge Kilsta AB	0.17%	58.37	(4.04)%	(307.71)
Bharat Forge Hong Kong Limited	0.04%	12.14	(0.34)%	(26.05)
Bharat Forge International Limited	0.81%	279.50	1.61%	122.78
Bharat Forge Daun GmbH	0.68%	232.44	(0.31)%	(23.53)
BF New Technologies GmbH	0.31%	106.33	(0.15)%	(11.16)
Mécanique Générale Langroise	1.12%	384.24	0.00%	0.00
Bharat Forge America Inc.	(0.20)%	(67.37)	(0.41)%	(30.99)
Indian joint ventures (as per proportionate consolidation method)				
David Brown Bharat Forge Gear Systems India Limited	0.10%	33.63	0.00%	0.37
ALSTOM Bharat Forge Power Limited	4.74%	1,631.13	1.71%	130.39
Impact Automotive Solutions Private Limited	-	-	(0.12)%	(9.36)
BFIL - CEC JV	0.00%	0.01	0.00%	0.02
	140.90%	48,499.06	95.52%	7,207.45
Minority interest in all subsidiaries	(0.06)%	(20.40)	0.39%	29.75
Elimination on account of consolidation	(40.84)%	(14,057.43)	5.09%	388.16
Total after elimination on account of consolidation	100.00%	34,421.23	100.00%	7,625.36

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

b) Summary of significant diverse accounting policies followed by the subsidiaries and joint controlled entities

The following are instances of diverse accounting policies followed by the subsidiaries, which do not materially impact these consolidated financial statements.

i) Dies: In respect of CDP Bharat Forge GmbH (CDP BF), Bharat Forge Kilsta (BFK)

Dies are considered as tangible assets and amortised by scheduled depreciation with reference to an assumed economic life as against the company's accounting policy to treat them as inventory under "Current Asset" and amortise the cost, as "cost of raw material and component consumed", on the basis of actual usage. Since both methods are acceptable basis of making estimates of economic life, there is no financial impact on the results for the year.

ii) Inventories: In respect of Bharat Forge America Inc. and Bharat Forge Kilsta AB, Sweden

The cost of inventory is determined on the basis of first-in-first out (FIFO) method in contrast to Bharat Forge Limited which determines on the basis of weighted average. In the current year, there is no impact on the results for the year as the amount is immaterial.

iii) Depreciation:

a) In respect of Indian subsidiaries (except BF Infrastructure Limited and Kalyani Strategic Systems Limited)

Depreciation expense is calculated using "straight line" basis on all the assets. This is in contrast to the practice followed by the Company where the depreciation on assets is calculated by using "straight line" basis or "Written Down Value" basis depending on asset classification. The practice would not have any material impact over the life of the asset and on the profit for the year.

b) In respect of certain Indian subsidiaries i.e. BF Infrastructure Limited and Kalyani Strategic Systems Limited

Depreciation expense is calculated using "Written Down Value" basis on all the assets. This is in contrast to the practice followed by the company where the depreciation on assets is calculated by using "straight line" basis or "Written Down Value" basis depending on asset classification. The practice would not have any material impact over the life of the asset and on the profit for the year.

c) In respect of foreign subsidiaries

Depreciation expense is calculated using "straight line" basis on all the assets. This is in contrast to the practice followed by the Company where the depreciation on assets is calculated by using "straight line" basis or "Written Down Value" basis depending on asset classification. The practice would not have any material impact over the life of the asset and on the profit for the year.

(c) Change in accounting policy

Depreciation on fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

(I) Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. However, this change in accounting policy did not have any material impact on financial statements of the Company.

Had the company continued to use the earlier policy of depreciating fixed asset, the profit for the current period would have been lower by ₹ 129.94 Million (net of tax impact of ₹ 85.77 Million), retained earnings at the beginning of the current period would have been higher by ₹ 64.49 Million (net of tax impact of ₹ 42.57 Million) and the fixed asset would correspondingly have been lower by ₹ 65.05 Million. In respect of certain Indian subsidiaries, this change in accounting policy did not have a material impact in their respective financial statements.

(II) Component Accounting

The Company and its Indian subsidiaries within the group has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1 April, 2014. The Company and its Indian subsidiaries within the group was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The Group has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., 1 April, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not Nil on 1 April 2014, is depreciated over their remaining useful life.

(III) Depreciation on assets costing less than ₹ 5,000/-

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company and its Indian subsidiaries within the group were charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Group has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/-. As per the revised policy, the Group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April, 2014. The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on consolidated financial statements of the Group for the current year.

a) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

b) Tangible fixed assets

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprise purchase price, borrowing costs, if capitalization criteria is met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure (for new projects and in case of substantial modernisation or expansion at the existing units) related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, 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 difference.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

c) Depreciation and amortization on tangible assets

i. Lease hold land:

Premium on leasehold land is amortized on a straight line basis over the period of lease i.e. 30 to 95 years.

ii. Power line:

Expenditure on power line is amortized on a straight line basis over a period of six years.

iii. Other tangible assets:

In case of the Group:

Depreciation on tangible assets is calculated on a straight-line (SLM) basis and written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

The Group has used the following rates (wherever statutes are applicable) to provide depreciation on its tangible asset.

Type of Assets	Useful lives estimated by the management (years)
Building - Factory	8 - 50
Buildings - Others	3 - 60
Plant and machinery	10 - 21
Plant and machinery - Windmill	19
Plant and machinery - CPP	18
Dies	3 - 7
(Computers)	3
Office equipment	3 - 11
Railway sidings	10
Electrical installation	10
Factory equipments	2 - 10
Furniture and fixtures	10
Vehicles	3 - 8
Aircraft	18

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

The useful lives of certain plant and equipment are estimated as 10 years. These lives are higher than those indicated in schedule II.

Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/installation.

Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

Depreciation on account of increase or decrease due to revaluation of foreign currency loans is being provided at rates of depreciation over the remaining future life of the said asset.

d) Intangible assets

Acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is disposed.

Research and development expenditure

Research expenditure is charged to revenue under the natural heads of account in the year in which it is incurred.

Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the consolidated statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

Fixed assets purchased for research and development are accounted for in the manner stated in note 2.1 (d) above.

A summary of amortization policy applied to the Group's intangible assets is as below:

Type of assets	Useful lives estimated by the management (year)
Computer software	3 - 5
Server	6
Technical Knowhow	10
Development costs	10
Patents	10
Website	3

e) Inventories

Cost of inventories have 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 realizable 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 the 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 finished goods includes excise duty. Cost is determined on a weighted average basis.

Scrap is valued at lower of cost and net realizable value. Cost is determined using the weighted average method.

Dies are amortised over their productive life. Expenditure incurred to repair the dies from time to time is charged to consolidated statement of profit and loss.

Net realizable 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.

f) Foreign currency translation

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- a. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

- b. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- c. All other exchange differences are recognized as income or as expenses 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. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, 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 difference.

- iv. Options and forward exchange contracts not intended for trading or speculation purposes, classified as derivative instruments.

Pursuant to the announcement made by the Institute of Chartered Accountants of India (ICAI) regarding "Accounting for Derivatives", options and forward exchange contracts are classified as derivatives and are marked to market on a portfolio basis at the balance sheet date. The resultant net losses after considering the offsetting effect on the underlying hedge items are recognised in the consolidated statement of profit and loss on the principle of prudence. The resultant net gains, if any, on such derivatives are not recognised in consolidated financial statements. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

- v. Foreign operations

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Group itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve.

On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in classification.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired or partly acquired by issue of shares or other securities, the acquisition cost is the fair value of security issued.

Current investments are carried in the financial statement at lower of cost of acquisition and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value of investments is made to recognize a decline other than temporary in the value of investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i. Sales of goods
 - a. Revenue from Domestic sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch from the point of sale, consequent to property in goods being transferred. The Group collects sales taxes and value added taxes (VAT), wherever applicable, on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
 - b. Export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading.
- ii. Export incentives

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.
- iii. Sale of services

Revenues from sales of services are recognized pro-rata over the period of the contract as and when services are rendered. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.
- iv. Die design and preparation charges/Job work Charges

Revenues from die design and preparation charges/job work charges are recognized as per the terms of the contract as and when services are rendered. The Group collects service tax and value added tax (VAT) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
- v. Sale of electricity – Windmill

Revenue from sales of electricity is recognized when all the significant risks and rewards of ownership have been passed to the buyer, usually on transmission of electricity based on the data provided by the electricity department.
- vi. Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- vii. Dividend income

Dividend income is recognized when the Company's right to receive is established by the reporting date.
- viii. Profit / loss on sale of investment

Profit/ loss on sale of investment is recognized when all the significant risks and rewards of ownership in investment is transferred.
- ix. Project revenue

Project revenue is recognized by applying the "Percentage of Completion method" only when the outcome of the construction activity can be estimated reliably. Project revenue and project cost associated to project related activity is recognized as revenue and expense respectively by reference to the stage of completion. The stage of completion is either determined with reference to the proportion of cost incurred for work performed to the estimated total cost respectively or with respect to the completion of physical proportion of the contract work. Project revenue is recognized

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

when the stage of completion of the project reaches a significant level as compared to the total estimated cost of the project.

Revenue earned in excess of billing is reflected under "Other Current Assets". Billing to customers in excess of revenue earned is reflected under "Current liabilities".

The estimated total cost of the project as determined, is based on management's estimate from the inception till the final completion of the project and includes materials, services and costs that are attributable to contract activity in general and can be allocated to the contract. Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

When the outcome of the construction activity cannot be estimated reliably, revenue is recognized only to the extent of costs incurred of which recovery is probable and such cost is recognized as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

x. Tender costs

Costs that relate directly to a contract and are incurred in securing the contract are also included as part of the contract costs on a case to case basis considering the nature of the business, if they are separately identified and measured reliably and it is probable that the contract will be obtained. Till then such costs are carried forward in the other current assets. Other tender costs are charged to the statement of profit and loss as period costs.

xi. Certified emission reduction units / Renewal energy certificates

Revenue from certified emission reduction units/renewal energy certificates is recognized when there is reasonable assurance that the entity will comply with the conditions attached to it and the grants will be received. At a minimum, these conditions will only be met when the actual emission reductions have been realized and the entity has reasonable assurance that these reductions will be confirmed during the verification and certification process by the respective independent authority.

i) Retirement and other employee benefits

i Provident fund

The Company and some of its subsidiaries operate two plans for its employees to provide employee benefit in the nature of provident fund.

Eligible employees of the Company 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 guidance note on implementing AS-15 (revised 2005) "Employee Benefits", states that benefits involving employer established provident funds, which requires interest shortfalls to be provided, are to be considered as defined benefit plans. Actuarial valuation of this provident fund interest shortfall has been done as per the guidance note issued in this respect by the Institute of Actuaries of India.

The employees of the Company and Indian subsidiaries which are not covered under the above scheme, their portion of provident fund is contributed to the government administered pension fund which is a defined contribution scheme. The Company and Indian subsidiaries have no obligation, other than the contribution payable to the provident fund. The Company and Indian subsidiaries recognize 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 recognized 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 recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

ii Gratuity

The Company and some of its subsidiaries operate two defined benefits plan for its employee's viz. gratuity and special gratuity scheme. Payment for present liability of future payment of gratuity is being made to approved gratuity funds, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. 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. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the consolidated statement of profit and loss.

iii 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' annual salary. The Company and Indian subsidiaries recognize 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 Company and Indian subsidiaries should recognise 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 Company recognises that difference excess as a liability. The Company and Indian subsidiaries have no obligation, other than the contribution payable to the superannuation fund.

iv Privilege leave benefits

Accumulated leave, which is expected to be utilized within the next 12 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.

The Company and its subsidiaries treat 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 consolidated 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 12 months after the reporting date. Where the Company and its subsidiaries have the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

v Termination benefits

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of 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.

vi 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 for 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 recognized in full in the period in which they occur in the consolidated statement of profit and loss.

j) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

k) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the other entities of the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, or the respective tax jurisdiction wherever applicable, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

l) Provisions

A provision is recognized when the Group has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

m) Impairment of tangible and intangible asset

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 cash-generating unit's (CGU) net selling price 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

n) Lease

Where the Company within the Group is the lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the consolidated statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Where the Company within the Group is the lessor

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the consolidated statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

o) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the consolidated 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 recognized as deferred income and is allocated to consolidated statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit 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 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.

q) Contingent liabilities

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 recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

s) Derivative instruments and hedge accounting

The Group uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. The Group designates these forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 "Financial Instruments: Recognition and Measurement".

For the purpose of hedge accounting, hedges are classified as:

- i. Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- ii. Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Company and its subsidiary formally designates and documents the hedge relationship to which the Company and its subsidiary wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company and its subsidiary 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.

Fair value hedges

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

The change in the fair value of a hedging derivative is recognized in the consolidated statement of profit and loss. 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 recognized in the consolidated statement of profit and loss.

When an unrecognized 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 recognized as an asset or liability with a corresponding gain or loss recognized in the consolidated statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the hedging reserve, while any ineffective portion is recognized immediately in the consolidated statement of profit and loss.

The Group uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized immediately in the consolidated statement of profit and loss.

Amounts recognized in the hedging reserve are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the consolidated statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in the hedging reserve remains in the hedging reserve until the forecast transaction or firm commitment affects profit or loss.

t) Pre-operative expenses pending capitalisation:

Expenditure incurred during the period of construction to the extent allowable under Accounting Standard - 10 "Accounting for Fixed Assets" is carried forward under "Pre-Operative Expenditure Account" and will be allocated to the fixed assets in accordance with generally accepted accounting principles, on commencement of commercial operations.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

3. Share capital

	(In ₹ Million)	
	As at March 31, 2015	As at March 31, 2014
Authorised shares (No.)		
300,000,000 (March 31, 2014: 300,000,000) equity shares of ₹ 2/- each	600.00	600.00
43,000,000 (March 31, 2014: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2014: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
232,970,666 (March 31, 2014: 232,970,666) equity shares of ₹ 2/- each	465.94	465.94
Subscribed and fully paid-up (No.)		
232,794,316 (March 31, 2014: 232,794,316) equity shares of ₹ 2/- each	465.59	465.59
Add: 172,840 (March 31, 2014: 172,840) forfeited equity shares comprising of 15,010 equity shares (March 31, 2014: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2014: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50/- each) [Also refer note 3(f)]	0.09	0.09
Total issued, subscribed and fully paid-up share capital	465.68	465.68

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2015		As at March 31, 2014	
	No.	In ₹ Million	No.	In ₹ Million
At the beginning of the year	232,794,316	465.59	232,794,316	465.59
Issued during the year	-	-	-	-
Outstanding at the end of the year	232,794,316	465.59	232,794,316	465.59

(b) 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.

During the year ended March 31, 2015, the amount of per share interim dividend recognised as distributions to equity shareholders was ₹ 3.00/- (March 31, 2014: ₹ 2.00/-).

During the year ended March 31, 2015, the amount of per share proposed final dividend recognised as distributions to equity shareholders was ₹ 4.50/- (March 31, 2014: ₹ 2.50/-).

In the event of liquidation of the 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 shareholders.

(c) 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.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting date.

3. Share capital (Contd.):

(e) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder *	As at March 31, 2015		As at March 31, 2014	
	No.	% of Holding	No.	% of Holding
Equity shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	31,656,095	13.60	31,656,095	13.60
Sundaram Trading and Investment Private Limited	29,907,087	12.85	29,907,087	12.85
KSL Holdings Private Limited	23,142,870	9.94	23,142,870	9.94

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

(f) Shares reserved for issue under options

	As at March 31, 2015	As at March 31, 2014
2,340 equity shares of ₹ 2/- each out of the previous issue of equity shares on a right basis together with 234 detachable warrants entitled to subscription of 1,170 equity shares of ₹ 2/- each, have been kept in abeyance and reserve for issue pending adjudication of title to the pre right holding.	3,510	3,510

(g) 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 and May 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 at the close of the year are 9,200 (March 31, 2014: 9,200). The funds raised had been utilized towards the object of the issue.

4. Reserves and surplus

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Capital reserves		
Special capital incentive (Under the 1988 Package Scheme of Incentives)		
Balance as per the last financial statements	2.50	2.50
Closing balance	2.50	2.50
Warrants subscription money [Refer note 4(a)]		
Balance as per the last financial statements	13.00	13.00
Closing balance	13.00	13.00
Closing balance	15.50	15.50
Capital redemption reserve		
Balance as per the last financial statements	300.00	300.00
Closing balance	300.00	300.00
Securities premium account		
Balance as per the last financial statements	7,096.48	7,096.48
Closing balance	7,096.48	7,096.48
carried over	7,411.98	7,411.98

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

4. Reserves and surplus (contd.):

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
brought over	7,411.98	7,411.98
Debenture redemption reserve [Refer note 4(b)]		
Balance as per the last financial statements	1,852.71	1,448.94
Add: Amount transferred from surplus in the consolidated statement of profit and loss	87.29	403.77
Less: Amount transferred to surplus in the consolidated statement of profit and loss	(875.00)	-
Closing balance	1,065.00	1,852.71
Foreign Currency Monetary Item Translation Difference Account (FCMITDA) [Refer note 37]		
Balance as per the last financial statements	(669.61)	(163.07)
Add: Arising during the year	(248.16)	(692.09)
Less: Adjusted during the year	253.33	185.55
Closing balance	(664.44)	(669.61)
Hedge reserve [Refer note 2.1(s)]		
Balance as per the last financial statements	1,785.97	204.16
Add: Arising during the year	3,716.20	2,235.87
Less: Adjusted during the year	(384.83)	(654.06)
Closing balance	5,117.34	1,785.97
General reserve		
Balance as per the last financial statements	2,648.90	2,248.90
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	719.00	400.00
Less: Adjusted during the year [Refer note 4(c)]	(409.12)	-
Closing balance	2,958.78	2,648.90
Foreign currency translation reserve		
Balance as per the last consolidated financial statements	(204.11)	362.31
Less: Movement during the year	(844.71)	(566.42)
Closing balance	(1,048.82)	(204.11)
Surplus in the Consolidated statement of profit and loss		
Balance as per the last consolidated financial statements	13,540.89	10,584.99
Add:		
- Net profit for the year	7,625.36	4,985.29
- Transfer from debenture redemption reserve [Refer note 4(b)(ii)]	875.00	-
	8,500.36	4,985.29
Less: Appropriations		
- Transfer to debenture redemption reserve	(87.29)	(403.77)
- Transfer to general reserve	(719.00)	(400.00)
- Interim equity dividend	(698.38)	(465.59)
- Tax on interim equity dividend	(139.64)	(79.13)
- Proposed final equity dividend	(1,047.57)	(581.99)
- Tax on proposed final equity dividend	(213.26)	(98.91)
	(2,905.14)	(2,029.39)
Closing balance	19,136.11	13,540.89
TOTAL	33,975.95	26,366.73

(a) Capital reserves:

The Company had issued and allotted to Qualified Institutional Buyers, 10,000,000 equity shares of ₹ 2/- each at a price of ₹ 272/- per share aggregating to ₹ 2,720 Million on April 28, 2010, simultaneously with the issue of 1,760 10.75% Non Convertible Debentures (NCD) of a face value of ₹ 1,000,000/- at par, together with 6,500,000 warrants at a price of ₹ 2/- each entitling the holder of each warrant to subscribe for 1 equity share of ₹ 2/- each at a price of ₹ 272/- at any time within 3 years from the date of allotment. Following 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.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

4. Reserves and surplus (Contd.):

(b) Debenture redemption reserve:

- (i) Debenture redemption reserve has been created in accordance with circular No. 9/2002 dated April 18, 2002 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India and Section 117(C) of the Companies Act, 1956 at 25% of the maturity amount equally over the terms of the debentures privately placed. Pursuant to MCA circular No. 04/2013 dated February 11, 2013, the Company has continued to create reserve as per the erstwhile Companies Act, 1956.
- (ii) During the year, the Company has redeemed 3,500 - 10.75% Redeemable secured non-convertible debentures (Seventeenth series) of ₹ 1,000,000/- each in full. The Debenture redemption reserve created with respect to this series has been transferred to surplus in the statement of profit and loss after redemption in full of the said debentures.

(c) General reserve:

Pursuant to the Companies Act, 2013 ("the Act"), the Company has, during the year, revised depreciation rates on certain fixed assets as per the useful life specified in Schedule II of the Act or as re-assessed by the Company. Due to this, based on transitional provision as per note 7(b) of the Schedule II, an amount of ₹ 354.75 Million (net of deferred tax of ₹ 182.67 Million) have been adjusted to general reserves. Further the adjustment to reserve include ₹ 54.37 Million in relation to deferred tax adjustment of earlier years.

5. Long-term borrowings

	In ₹ Million			
	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Debentures [Refer note 5(a)]				
2,500 (March 31, 2014: 2,500) - 11.95 % Redeemable non-convertible debentures (secured)	833.50	1,666.67	833.25	833.33
1,760 (March 31, 2014: 1,760) - 10.75 % Redeemable non-convertible debentures (secured)	528.00	1,144.00	616.00	616.00
3,500 (March 31, 2014: 3,500) - 10.75 % Redeemable non-convertible debentures (secured)	-	-	-	2,625.00
	1,361.50	2,810.67	1,449.25	4,074.33
Term loans				
From banks				
Foreign currency term loans				
Secured				
From Credit Agricole Corporate & Investment Bank, Singapore [Refer note 5(b)(i)]	-	-	-	1,198.80
From Hypo Vereins Bank, Germany [Refer note 5(b)(ii)]	73.84	131.61	33.75	41.29
From ICICI Bank, Frankfurt [Refer note 5(b)(iii)]	-	165.16	127.66	165.15
From Unicredit Bank, Germany [Refer note 5(b)(iv)]	2.43	8.72	4.70	5.15
carried over	76.27	305.49	166.11	1,410.39
carried over	1,361.50	2,810.67	1,449.25	4,074.33

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

In ₹ Million

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
brought over	76.27	305.49	166.11	1,410.39
brought over	1,361.50	2,810.67	1,449.25	4,074.33
From Unicredit Bank, Germany [Refer note 5(b)(v)]	-	7.33	5.99	6.98
From Standard Chartered Bank, London [Refer note 5(b)(vi)]	480.07	660.61	60.01	-
From Unicredit Bank and Sachsenbank, Germany [Refer note 5(b)(vii)]	16.38	26.71	5.46	6.68
From Sachsenbank, Germany [Refer note 5(b)(viii)]	176.56	132.46	20.77	6.35
From Standard Chartered Bank, London [Refer note 5(b)(ix)]	120.02	-	15.00	-
From Uni Credit Leasing Finance, Germany [Refer note 5(b)(x)]	32.25	-	7.73	-
From Deutsche Leasing Finance, Germany [Refer note 5(b)(xi)]	64.24	-	8.73	-
From BNP Paribas, France [Refer note 5(b)(xii)]	-	-	2.34	-
From BNP Paribas, France [Refer note 5(b)(xiii)]	2.41	-	2.52	-
From Scoiete Generale, France [Refer note 5(b)(xiv)]	11.09	-	4.56	-
From Kolb Bank, France [Refer note 5(b)(xv)]	4.76	-	2.87	-
From Credit Mutuel, France [Refer note 5(b)(xvi)]	22.13	-	5.15	-
From BNP Paribas, France [Refer note 5(b)(xvii)]	13.95	-	2.54	-
Unsecured				
On syndication basis [Refer note 5(b)(xviii)]	14,377.30	10,789.20	-	-
From Scoiete Generale, France [Refer note 5(b)(xix)]	-	-	0.77	-
From Credit Mutuel, France [Refer note 5(b)(xx)]	2.56	-	0.52	-
	15,399.99	11,921.80	311.07	1,430.40
carried over	16,761.49	14,732.47	1,760.32	5,504.73

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
brought over	16,761.49	14,732.47	1,760.32	5,504.73
IGSTC R&D project loan [Refer note 5(c)] (secured)	6.08	-	-	-
Rupee term loan				
Secured				
From Andhra Bank and HDFC Bank [Refer note 5(d)(i)]	3.75	7.55	3.80	4.02
From Axis Bank [Refer note 5(d)(ii)]	588.00	-	-	-
From Union Bank of India, State Bank of India and Exim Bank [Refer note 5(d)(iii)]	2,352.00	-	-	-
Unsecured				
From Axis Bank [Refer note 5(d)(iv)]	-	419.93	-	-
	2,943.75	427.48	3.80	4.02
Finance Lease [Refer note 30] [Refer note 5(e)] (secured)	103.78	52.06	54.76	30.74
	103.78	52.06	54.76	30.74
TOTAL	19,815.10	15,212.01	1,818.88	5,539.49
The above amount includes				
Secured borrowings	5,435.24	4,002.88	1,817.59	5,539.49
Unsecured borrowings	14,379.86	11,209.13	1.29	-
Amount disclosed under the head "Other Current Liabilities" [Refer note 10]	-	-	(1,818.88)	(5,539.49)
TOTAL	19,815.10	15,212.01	-	-

(a) Debentures

The Company has issued the following secured redeemable non-convertible debentures:

- 2,500 (March 31, 2014: 2,500) - 11.95 % Redeemable secured non-convertible debentures (Sixteenth series) of ₹ 666,700/- each (March 31, 2014: ₹ 1,000,000/- each) redeemable at par in balance two equal annual installments on January 5, 2016 and on January 5, 2017, respectively.

Above debentures are secured by : (i) First pari passu mortgage in favour of the Trustees, of all rights and interest on the Company's immovable properties situated at Mundhwa, Satara and Chakan with negative lien on properties situated at Jejuri and Baramati; and (ii) First pari passu charge in favour of the Trustees by way of hypothecation of movable properties, present and future both such as all plant and machinery, equipments, tools, furniture and fixtures etc., as described in Debenture Trust-cum-Mortgage Deed dated April 30, 2009 and a revised Mortgage Deed dated April 30, 2014, when the immovable property situated at Jalgaon was removed as a security.

- 1,760 (March 31, 2014: 1,760) - 10.75 % Redeemable secured non-convertible debentures (Eighteenth series) of ₹ 650,000/- each (March 31, 2014: ₹ 1,000,000/- each) redeemable at par in balance two annual installments @ 35.00% on April 28, 2015 and @ 30.00% on April 28, 2016.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

Above debentures are secured by (i) First pari-passu mortgage in favour of Trustees, of all rights and interest on the Company's immovable properties, present and future situated at Mundhwa, Chakan and Satara with negative lien on properties situated at Jejuri and Baramati as per Debenture Trust-cum-Mortgage Deed dated June 28, 2010; and (ii) First pari-passu charge in favour of the Trustees on moveable properties, present and future as described in Schedule-II as per Debenture Trust-cum-Mortgage Deed dated June 28, 2010 and a revised Mortgage Deed dated April 30, 2014, when the immovable property situated at Jalgaon was removed as a security.

- iii. 3,500 (March 31, 2014: 3,500) - 10.75 % Redeemable secured non-convertible debentures (Seventeenth series) of ₹ Nil (March 31, 2014: ₹ 750,000/- each) redeemed at par.

Above debentures were secured by : (i) First pari passu mortgage in favour of the Trustees, of all rights and interest on the Company's immovable properties situated at Mundhwa, Satara and Chakan with negative lien on properties situated at Jejuri and Baramati; and (ii) First pari passu charge in favour of the Trustees by way of hypothecation of movable properties, present and future both such as all plant and machinery, equipments, tools, furniture and fixtures etc., as described in Debenture Trust - cum-Mortgage Deed dated December 14, 2009 and a revised Mortgage Deed dated April 30, 2014, when the immovable property situated at Jalgaon was removed as a security.

(b) Foreign currency term loans

i. From Credit Agricole Corporate & Investment Bank, Singapore (Secured)

Balance outstanding USD 20 Million (March 31, 2014: USD 20 Million)

Secured by first pari passu charge over present and future movable fixed assets viz. plant and machinery, computers, furnitures and fixtures, whether installed or not and whether now lying loose or in cases or otherwise or being on or upon or at any time, hereafter being on or upon about the premises and godowns at Mundhwa, Pune; Village Kuruli, Chakan; Taluka Khed, District Pune; Village Vaduth, Taluka and District Satara and at Baramati, Pune or anywhere else.

Repayable in 3 yearly instalments from date of its' origination, i.e. October 14, 2012, along with interest.

ii. From Hypo Vereins Bank, Germany (Secured)

Balance outstanding Euro 1.59 Million (March 31, 2014: Euro 2.09 Million)

Secured by charge over specific machinery of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 24 equal quarterly instalments starting from June 2012, along with interest.

iii. From ICICI Bank, Frankfurt (Secured)

Balance outstanding Euro 1.89 Million (March 31, 2014: Euro 4 Million)

Secured by charge over assets of one of the subsidiary located at Karlskoga, Sweden. Repayable in 4 equal annual instalments starting from September 2012, along with interest.

iv. From Unicredit Bank, Germany (Secured)

Balance outstanding Euro 0.11 Million (March 31, 2014: Euro 0.17 Million)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 60 equal monthly instalments starting from August 2011, along with interest.

v. From Unicredit Bank, Germany (Secured)

Balance outstanding Euro 0.09 Million (March 31, 2014: Euro 0.17 Million)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 60 equal monthly instalments starting from January 2011, along with interest.

Notes

to consolidated financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

vi. **From Standard Chartered Bank, London (Secured)**

Balance outstanding Euro 8.00 Million (March 31, 2014: Euro 8.00 Million)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 18 equal quarterly instalments starting from September 2015, along with interest.

vii. **From Unicredit Bank and Sachsenbank, Germany (Secured)**

Balance outstanding Euro 0.32 Million (March 31, 2014: Euro 0.40 Million)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 23 equal quarterly instalments starting from March 2013, along with interest.

viii. **From Sachsenbank, Germany (Secured)**

Balance outstanding Euro 2.92 Million (March 31, 2014: Euro 1.68 Million)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 28 equal quarterly instalments starting from December 2014, along with interest.

ix. **From Standard Chartered Bank, London (Secured)**

Balance outstanding Euro 2.00 Million (March 31, 2014: Nil)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 28 equal quarterly instalments starting from December 2014, along with interest.

x. **From Unicredit Leasing Finance, Germany (Secured)**

Balance outstanding Euro 0.59 Million (March 31, 2014: Nil)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 60 equal monthly instalments starting from September 2014, along with interest.

xi. **From Deutsche Leasing Finance, Germany (Secured)**

Balance outstanding Euro 1.08 Million (March 31, 2014: Nil)

Secured by charge over specific assets of one of the subsidiary located at Brand Erbisdorf, Germany. Repayable in 60 equal monthly instalments starting from April 2014, along with interest.

xii. **From BNP Paribas, France (Secured)**

Balance outstanding Euro 0.03 Million (March 31, 2014: Nil)

Secured by mortgage of specific assets of one of the subsidiary located at Saints Geosmes, France. Repayable in 84 equal monthly instalments starting from July 2008, along with interest.

xiii. **From BNP Paribas, France (Secured)**

Balance outstanding Euro 0.07 Million (March 31, 2014: Nil)

Secured by pledge of business of one of the subsidiary located at Saints Geosmes, France. Repayable in 60 equal monthly instalments starting from January 2012, along with interest.

xiv. **From Societe Generale, France (Secured)**

Balance outstanding Euro 0.23 Million (March 31, 2014: Nil)

Secured by mortgage of specific assets of one of the subsidiary located at Saints Geosmes, France. Repayable in 72 equal monthly instalments starting from December 2012, along with interest.

xv. **From Kolb Bank, France (Secured)**

Balance outstanding Euro 0.11 Million (March 31, 2014: Nil)

Secured by pledge of business of one of the subsidiary located at Saints Geosmes, France. Repayable in 60 equal monthly instalments starting from October 2012, along with interest.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

xvi. From Credit Mutuel, France (Secured)

Balance outstanding Euro 0.40 Million (March 31, 2014: Nil)

Secured by pledge of business and pledge of specific assets of one of the subsidiary located at Saint Geosme, France. Repayable in 84 equal monthly instalments starting from August 2013, along with interest.

xvii. From BNP Paribas, France (Secured)

Balance outstanding Euro 0.40 Million (March 31, 2014: Nil)

Secured by pledge of business of one of the subsidiary located at Saints Geosmes, France. Repayable in 84 equal monthly instalments starting from July 2014, along with interest.

xviii. Foreign currency term loans on Syndicated basis (Unsecured)

Repayable in 3 half yearly/yearly installments from date of its origination, along with interest.

Date of origination	USD in Million	
	Balance outstanding	
	As at March 31, 2015	As at March 31, 2014
October 31, 2016 (half yearly)	80.00	80.00
October 31, 2016 (half yearly)	40.00	40.00
October 31, 2017 (half yearly)	60.00	60.00
March 16, 2019 (yearly)	50.00	-

xix. From Societe Generale, France (Unsecured)

Balance outstanding Euro 0.01 Million (March 31, 2014: Nil)

Repayable in 60 equal quarterly instalments starting from November, 2010, along with interest.

xx. From Credit Mutuel, France (Unsecured)

Balance outstanding Euro 0.04 Million (March 31, 2014: Nil)

Repayable in 84 equal quarterly instalments starting from May, 2014, along with interest.

(c) IGSTC R&D project loan (Secured)

Balance outstanding ₹ 6.08 Million (March 31, 2014: Nil)

The loan is secured by bank guarantee executed by the Company in favour of IGSTC. Repayable in 10 half yearly installments from January 14, 2017, along with interest.

(d) Rupee term loans

i. From Andhra Bank and HDFC Bank (Secured)

Balance outstanding ₹ 7.55 Million (March 31, 2014: ₹ 11.57 Million)

Secured by equitable mortgage of land, building and hypothecation of equipment, furniture & fittings (present & future) and by hypothecation of motor cars purchased. The loans are repayable in 36 to 72 monthly equal instalments.

ii. From Axis Bank (Secured)

Balance outstanding ₹ 588.00 Million (March 31, 2014: ₹ Nil)

Secured by equitable mortgage of land, building and hypothecation of equipment, furniture & fittings (present & future) and by hypothecation of motor cars purchased. The loans are repayable in 36 to 72 monthly equal instalments.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

5. Long-term borrowings (Contd.):

iii. From Union Bank of India, State Bank of India and Exim Bank (Secured)

Balance outstanding ₹ 2,352.00 Million (March 31, 2014: ₹ Nil)

Secured by equitable mortgage of land, building and hypothecation of equipment, furniture & fittings (present & future) and by hypothecation of motor cars purchased. The loans are repayable in 36 to 72 monthly equal instalments.

iv. From Axis Bank (Unsecured)

Balance outstanding ₹ Nil (March 31, 2014: ₹ 419.93 Million)

Repayable in 32 equal quarterly instalments starting from September 30, 2014, along with interest.

(e) Finance lease

Finance lease is secured by hypothecation of said asset. The finance lease is due for repayment over a period of 6 years.

6. Deferred tax liabilities (net)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Deferred tax liability		
On account of timing difference in:		
Impact of difference between tax depreciation/amortization and depreciation / amortisation for the financial reporting	2,141.54	2,169.46
Privilege leave encashment, gratuity, pension and similar obligations	-	1.51
Provision for bad and doubtful debts and advance	0.12	-
Deferred maintenance	3.06	13.97
Others	1.92	-
Gross deferred tax liability	2,146.64	2,184.94
Deferred tax assets		
On account of timing difference in:		
Impact of difference between tax depreciation/amortization and depreciation / amortisation for the financial reporting	0.57	-
Privilege leave encashment, gratuity, pension and similar obligations	311.01	26.21
Provision for bad and doubtful debts and advance	33.83	253.45
Disallowance under Section 43 B of Income Tax Act, 1961	73.48	22.10
Premium on redemption of FCCB's [Refer note 5(d)]	-	163.29
Voluntary retirement scheme	2.96	-
Disallowance under Section 40(a) of Income Tax Act, 1961	67.71	2.96
Others	19.39	72.33
Gross deferred tax assets	508.95	540.34
Net deferred tax liability	1,637.69	1,644.60

Deferred tax in relation to adjustment for transitional provision of schedule II and certain other adjustments has been accounted for as a adjustments to general reserve. Also include adjustments on other accounts.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

7. Other long term liabilities

	In ₹ Million			
	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Voluntary retirement scheme compensation	5.32	4.67	3.62	3.66
Deferred income	590.00	147.80	86.35	18.43
Others	0.12	28.16	-	-
	595.44	180.63	89.97	22.09
Amount disclosed under the head "Other Current Liabilities" [Refer note 10]	-	-	(89.97)	(22.09)
TOTAL	595.44	180.63	-	-

8 Provisions

	In ₹ Million			
	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Provision for gratuity [Refer note 29 (a), (f)]	292.30	278.28	0.24	-
Share in provision for gratuity of Joint Venture	9.06	5.89	0.30	0.02
Provision for special gratuity [Refer note 29 (b)]	32.40	27.42	13.03	11.69
Provision for pension and similar obligation [Refer note 29 (d)]	790.54	740.21	-	-
Provision for leave benefits	-	-	369.14	430.64
Share in provision for leave benefits of Joint Venture	-	-	24.98	13.60
Provision for Jubilee scheme [Refer note 29 (e)]	39.93	46.94	-	-
Provision for Early retirement scheme [Refer note 29 (e)]	32.71	58.65	-	-
Other provisions				
Proposed equity dividend	-	-	1,047.57	581.99
Provision for tax on proposed equity dividend	-	-	213.26	98.91
Provision for tax (net of advance tax)	-	-	105.14	286.51
Share in provision for tax (net of advance tax) of Joint Venture	-	-	-	28.91
Share in derivative liability of forward contracts of Joint Venture	-	-	15.90	276.34
TOTAL	1,196.94	1,157.39	1,789.56	1,728.61

9 Short term borrowings

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Cash credit from banks (secured) [Refer note (a)]	2,744.15	1,835.07
Preshipment packing credit - foreign currency (secured) [Refer note (b)]	608.82	673.76
Preshipment packing credit - foreign currency (unsecured) [Refer note (b)]	62.51	384.25
Short term loans from banks (unsecured) [Refer note (c)]	405.06	-
Share in short term loan from banks of Joint Venture (secured) [Refer note (d)]	-	1,543.50
Loan from Joint Venture Company to subsidiary Company (Unsecured) [Refer note (e)]	-	415.31
Other short term loans (Unsecured) [Refer note (f)]	9.72	9.72
TOTAL	3,830.26	4,861.61
The above amount includes:		
Secured borrowings	3,352.97	4,052.33
Unsecured borrowings	477.29	809.28
TOTAL	3,830.26	4,861.61

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

- (a) Cash credit from banks is secured against hypothecation of stocks of semi finished and finished goods, raw materials, finished dies and die blocks, work-in-progress, consumable stores and spares, book debts etc. Cash credit is repayable on demand.
- (b) Preshipment packing credit from banks is secured against hypothecation of stocks of semi finished and finished goods, raw materials, finished dies and die blocks, work-in-progress, consumable stores and spares, book debts etc. Preshipment packing credit from banks (secured and unsecured) is repayable within 180 days.
- (c) Short term loans from banks are repayable within 360 days.
- (d) Short term loans from banks is secured by First pari passu charge created / to be created over movable and immovable fixed asset related to Sanand project, Present and future, current assets of the Borrower, Letter of Comfort from Shareholders, Debt Service Reserve Account (DSRA) for one month interest servicing to be maintained with bank during the tenor of the facility in the form of fixed deposits duly lien marked in favor of a bank. Short term loans is repayable within 360 days.
- (e) Short term loan from Joint Venture company to subsidiary is repayable on demand.
- (f) Other short term loans are repayable on demand.

10 Trade payables and other current liabilities

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Trade payables	8,060.25	6,841.13
Share in trade payables of Joint Venture	2,318.07	860.96
Share in trade payables of Joint Venture - Project expenses	19.46	-
Acceptances	618.23	2,852.13
TOTAL	11,016.01	10,554.22
Other current liabilities		
Current maturities of long-term borrowings [Refer note 5]		
- Secured	1,817.59	5,539.49
- Unsecured	1.29	-
Current portion of other long term liabilities [Refer note 7]	89.97	22.09
Payable for capital goods	567.03	349.70
Share in payable for capital goods of Joint Venture	559.57	357.47
Share in construction contracts in progress of Joint Venture	1,603.98	2,264.45
Interest accrued but not due on borrowings	194.35	298.02
Investor Education and Protection Fund (as and when due)		
- Unpaid dividend #	25.04	22.32
- Unpaid matured deposits	0.04	0.04
Security deposits	81.26	79.21
Advance from customers	177.31	801.44
Share in advance from customers of Joint Venture	0.73	0.91
Advance from customers - Project expenses	2.94	-
Share in advance from customers of Joint Venture - Project expenses	13.20	-
Employee contributions and recoveries payable	40.05	39.03
Other payable related to employees	317.97	356.74
Share in other payable related to employees of Joint Venture	57.35	35.30
Statutory dues payable including tax deducted at source *	156.07	455.43
Share in statutory dues payable including tax deducted at source of Joint Venture	22.67	32.27
Earnest money received	-	272.09
Others	2,269.19	2,057.09
Share in others of Joint Venture	38.88	20.32
TOTAL	8,036.48	13,003.41
TOTAL	19,052.49	23,557.63

* Includes LBT, in previous year, for which the appropriate authority and the administrative mechanism for collection was awaited. Also refer note 27(a)

unpaid due to litigation

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

11.1 Tangible assets

	Free hold land (a)	Lease hold land	Share in lease hold land of Joint Venture	Buildings (b), (c)	Plant and machinery	Plant and machinery on Finance Lease	Share in Plant and machinery of Joint Venture	Dies	Office equipments	Share in Office Equipments of Joint Venture	Sub Total (A)
Cost											In ₹ Million
As at April 1, 2013	447.97	779.30	99.55	4,599.92	40,216.38	1,517.55	10.62	1,031.91	60.70	1.22	48,787.89
Foreign Currency Translation Reserve	28.34	86.84	-	231.86	1,467.60	255.54	-	99.80	0.07	-	2,170.05
Additions	2.01	-	326.19	222.40	2,489.89	-	0.63	-	4.89	0.13	3,046.19
Additions on acquisition of subsidiary	0.41	-	-	33.93	10.22	-	-	-	2.60	-	47.16
Disposals	(1.51)	-	-	(17.54)	(358.31)	-	-	(128.46)	(0.27)	-	(506.09)
On account of disposal of subsidiary	-	(672.94)	-	(683.58)	(2,404.04)	(1,658.19)	-	(871.45)	-	-	(6,290.20)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	-	0.66	84.72	-	-	-	0.04	-	85.42
- Exchange differences	-	0.06	-	23.65	554.26	-	-	-	-	-	577.97
- Other adjustments [Refer note (e)]	-	-	-	-	(2,528.24)	-	-	-	-	-	(2,528.24)
As at March 31, 2014	477.22	193.26	425.74	22.82	4,411.30	114.90	11.25	131.80	68.03	1.35	45,390.15
Foreign Currency Translation Reserve	(46.98)	-	-	(275.45)	(1,615.91)	(26.68)	-	(30.60)	0.03	-	(1,995.59)
Additions	11.43	57.49	-	427.94	3,018.29	44.40	454.05	-	9.89	0.26	4,023.75
Additions on acquisition of subsidiary	4.88	-	50.56	217.20	356.74	163.83	-	-	3.17	-	796.38
Disposals	(2.89)	-	-	(49.67)	(98.90)	-	-	(3.01)	(1.95)	(3.06)	(159.48)
On account of disposal of subsidiary	-	(103.18)	-	-	-	-	(4.43)	-	(6.46)	(0.43)	(136.37)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	-	0.13	67.96	0.42	-	-	-	-	68.51
- Exchange differences	-	-	-	5.92	215.72	-	-	-	-	-	221.64
- Other adjustments [Refer note (g)]	-	-	-	-	(0.04)	-	-	-	(0.38)	-	(0.42)
As at March 31, 2015	443.66	147.57	476.30	0.95	4,737.37	296.87	460.87	98.19	69.16	1.29	48,208.57
Depreciation/ Amortisation											
As at April 1, 2013	-	26.03	10.37	1,123.51	21,227.58	106.40	0.52	89.79	38.43	0.14	22,627.06
Foreign Currency Translation Reserve	-	0.64	-	78.57	969.94	13.67	-	8.86	0.03	-	1,071.71
Additions on acquisition of subsidiary	-	-	-	2.24	5.70	-	-	-	0.06	-	8.00
Charge for the year	-	9.09	4.40	166.41	2,712.35	96.02	0.99	17.34	4.20	0.15	3,015.32
Disposals	-	-	-	(13.36)	(169.20)	-	-	-	(0.03)	-	(182.59)
On account of disposal of subsidiary	-	(15.38)	-	(82.17)	(643.72)	(118.21)	-	(115.99)	-	-	(975.47)
Other adjustments [Refer Note (e)]	-	-	-	-	(2,528.24)	-	-	-	-	-	(2,528.24)
As at March 31, 2014	-	20.38	14.77	8.66	1,275.20	97.88	1.51	-	42.69	0.29	23,035.79
Foreign Currency Translation Reserve	-	-	-	(145.08)	(1,243.91)	(26.04)	-	-	0.02	-	(1,415.01)
Additions on acquisition of subsidiary	-	-	6.97	72.38	92.15	87.30	2.42	-	9.56	2.73	261.53
Charge for the year	-	1.56	8.29	171.36	2,631.79	17.00	-	-	(0.61)	(2.77)	2,843.81
Disposals	-	-	-	(23.83)	(79.19)	-	-	-	(5.58)	(0.08)	(106.40)
On account of disposal of subsidiary	-	(14.23)	-	(9.62)	-	-	(1.06)	-	-	-	(30.57)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
- Other adjustments [(Refer note (g))]	-	-	-	40.80	4.06	-	-	-	9.27	-	54.13
As at March 31, 2015	-	7.71	30.03	0.25	1,390.83	176.14	2.87	-	55.35	0.79	24,643.28
Net Block											
As at March 31, 2014	477.22	172.88	410.97	14.16	3,136.10	17,958.07	17.02	131.80	25.34	1.06	22,354.36
As at March 31, 2015	443.66	139.86	446.27	0.70	3,346.54	18,497.03	120.73	98.19	13.81	0.50	23,565.29

Notes to Consolidated Financial Statements

11.1 Tangible assets (contd.):

	Railway sidings	Electrical installations	Factory equipments	Furniture and fixtures	Share in Furniture and fixtures of Joint Venture	Vehicles and aircraft	Share in Vehicles of Joint Venture	Power line	Sub Total (B)	Grand Total (A+B)
Cost										
As at April 1, 2013	0.45	526.56	3,767.16	278.92	2.12	2,263.87	0.85	97.77	6,937.70	55,725.59
Foreign Currency Translation Reserve	-	-	423.74	-	-	7.92	-	-	431.66	2,601.71
Additions	-	-	583.68	5.35	4.10	12.60	1.33	-	607.06	3,653.25
Additions on acquisition of subsidiary	-	-	-	3.72	-	3.11	-	-	6.83	53.99
Disposals	-	(1.76)	(275.30)	(9.36)	-	(25.89)	-	-	(312.31)	(818.40)
On account of disposal of subsidiary	-	-	(52.95)	-	-	(32.03)	-	-	(84.98)	(6,375.18)
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	1.77	-	-	-	-	-	1.77	87.19
- Exchange differences	-	0.52	5.53	0.11	-	-	-	-	6.16	584.13
- Other adjustments	-	-	-	-	-	-	-	-	-	(2,528.24)
As at March 31, 2014	0.45	525.32	4,453.63	278.74	6.22	2,229.58	2.18	97.77	7,593.89	52,984.04
Foreign Currency Translation Reserve	-	-	(707.09)	-	-	(9.70)	-	-	(716.79)	(2,712.38)
Additions	-	2.23	509.11	25.43	-	13.27	-	-	550.04	4,573.79
Additions on acquisition of subsidiary	-	-	3.57	(5.62)	-	5.49	-	-	9.06	805.44
Disposals	-	-	(17.24)	-	(0.80)	(8.53)	(2.18)	-	(31.39)	(190.87)
On account of disposal of subsidiary	-	-	-	-	-	-	-	-	(2.98)	(139.35)
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	0.97	-	-	-	-	-	0.97	69.48
- Exchange differences	-	0.05	1.93	0.01	-	-	-	-	1.99	223.63
- Other adjustments [Refer note (g)]	-	-	-	(0.08)	-	-	-	-	(0.08)	(0.50)
As at March 31, 2015	0.45	527.60	4,244.88	298.48	5.42	2,230.11	-	97.77	7,404.71	55,613.28
Depreciation										
As at April 1, 2013	0.43	282.08	2,778.17	177.15	0.27	880.71	0.08	61.39	4,180.28	26,807.34
Foreign Currency Translation Reserve	-	-	337.64	-	-	6.68	-	-	344.32	1,416.03
Additions on acquisition of subsidiary	-	-	0.90	-	-	1.06	-	-	1.96	9.96
Charge for the year	-	40.99	465.56	18.15	0.41	138.12	0.23	15.11	678.57	3,693.89
Disposals	-	(1.58)	(273.62)	(5.36)	(0.06)	(23.29)	-	-	(303.91)	(486.50)
On account of disposal of subsidiary	-	-	(38.96)	-	-	(18.88)	-	-	(57.84)	(1,033.31)
Other adjustments	-	-	-	-	-	-	-	-	-	(2,528.24)
As at March 31, 2014	0.43	321.49	3,269.69	189.94	0.62	984.40	0.31	76.50	4,843.38	27,879.17
Foreign Currency Translation Reserve	-	-	(601.93)	-	-	(9.65)	-	-	(611.58)	(2,026.59)
Additions on acquisition of subsidiary	-	-	2.58	-	-	3.53	-	-	6.11	267.64
Charge for the year	-	35.45	502.81	31.53	0.59	87.22	0.11	15.10	672.81	3,516.62
Disposals	-	-	(16.05)	(2.47)	-	(6.91)	-	-	(25.43)	(131.83)
On account of disposal of subsidiary	-	-	-	-	(0.27)	-	(0.42)	-	(0.69)	(31.26)
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Other adjustments [Refer note (g)]	-	-	-	10.07	-	473.36	-	-	483.43	537.56
As at March 31, 2015	0.43	356.94	3,157.10	229.07	0.94	1,531.95	-	91.60	5,368.03	30,011.31
Net Block										
As at March 31, 2014	0.02	203.83	1,183.94	88.80	5.60	1,245.18	1.87	21.27	2,750.51	25,104.87
As at March 31, 2015	0.02	170.66	1,087.78	69.41	4.48	698.16	-	6.17	2,036.67	25,601.97

- (a) Freehold land includes 25 acres of land situated at Pune and 24.13 acres of land situated at Satara both of which have been given on lease. Due to certain matters being sub judice, the Company has not executed lease deed with related party for the said land.
- (b) Buildings include cost of hangar jointly owned with other Companies ₹ 0.12 Million (March 31, 2014; ₹ 0.12 Million)
- (c) Documents for the ownership of premises at Sai Nagari, Surajban apartments and Lullanagar at Pune and lease hold land at Jejuri are under execution
- (d) Capitalized borrowing cost:
The borrowing cost capitalized during the year ended March 31, 2015 was ₹ 102.93 Million (March 31, 2014; ₹ 42.75 Million).
The Company capitalized this borrowing cost in the capital work-in-progress (CWIP). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from CWIP.
- (e) Fixed assets of the value of ₹ nil (March 31, 2014; ₹ 2,528.24 Million) and accumulated depreciation of ₹ nil (March 31, 2014; ₹ 2,528.24 Million) have been removed from the block of assets on account of retirement thereof.
- (f) Share in Leasehold land of joint venture includes Rs. 139.74 Million at Mundra port (Refer note 39)
- (g) The Company has adjusted difference of ₹ 537.56 (March 31, 2014; Nil) out of accumulated depreciation and ₹ (0.50) Million out of gross block on account of alignment with Schedule II of Companies' Act, 2013. (Refer note 3 (c))

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

11.2 Intangible assets

	Software	Share in Software of Joint Venture	Share in Technical Knowhow of Joint Venture	Development cost	Patents	Total
	In ₹ Million					
Cost						
As at April 1, 2013	162.71	0.05	9.50	223.44	318.25	713.95
Foreign Currency Translation Reserve	22.14	-	-	31.90	45.43	99.47
Additions	63.92	0.21	-	43.04	5.37	112.54
Addition on acquisition of subsidiary	-	-	-	-	-	-
Disposals	(14.85)	-	-	-	-	(14.85)
On account of disposal of subsidiary	(7.40)	-	-	-	-	(7.40)
Other adjustments	-	-	-	-	-	-
- Borrowing cost	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-
As at March 31, 2014	226.52	0.26	9.50	298.38	369.05	903.71
Foreign Currency Translation Reserve	(31.56)	-	-	(54.44)	(67.33)	(153.33)
Additions	43.90	-	-	48.83	-	92.73
Addition on acquisition of subsidiary	4.17	2.01	-	-	-	6.18
Disposals	(0.44)	(2.01)	-	-	-	(2.45)
On account of disposal of subsidiary	(4.11)	(0.12)	(9.50)	-	-	(13.73)
Other adjustments	-	-	-	-	-	-
- Borrowing cost	0.01	-	-	-	-	0.01
- Exchange differences	-	-	-	-	-	-
- Transferred to assets held for sale	-	-	-	-	-	-
As at March 31, 2015	238.49	0.14	-	292.77	301.72	833.12
Depreciation/ Amortisation						
At April 1, 2013	125.59	-	0.95	121.73	317.92	566.19
Foreign Currency Translation Reserve	18.58	-	-	21.33	45.46	85.37
Additions on acquisition of subsidiary	-	-	-	-	-	-
Charge for the year	23.60	0.02	1.90	66.37	1.27	93.16
Disposals	(14.84)	-	-	(0.15)	-	(14.99)
On account of disposal of subsidiary	(4.58)	-	-	-	-	(4.58)
Other adjustments	-	-	-	-	-	-
At March 31, 2014	148.35	0.02	2.85	209.28	364.65	725.15
Foreign Currency Translation Reserve	(29.29)	-	-	(49.36)	(66.84)	(145.49)
Additions on acquisition of subsidiary	4.00	1.89	-	-	-	5.89
Charge for the year	40.28	0.15	0.47	66.69	1.86	109.45
Disposals	(0.33)	(2.00)	-	-	-	(2.33)
On account of disposal of subsidiary	(3.86)	(0.03)	(3.32)	-	-	(7.21)
Other adjustments	-	-	-	-	-	-
- Transferred to assets held for sale	-	-	-	-	-	-
- Other adjustments (Refer note e)	-	-	-	-	-	-
At March 31, 2015	159.15	0.03	-	226.61	299.67	685.46
Net Block						
As at March 31, 2014	78.17	0.24	6.65	89.10	4.40	178.56
As at March 31, 2015	79.34	0.11	-	66.16	2.05	147.66

11.3 Capital work-in-progress

Capital work-in-progress

Share in capital work-in-progress of Joint Venture

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
	3,432.22	3,858.88
	5,153.67	1,967.83
TOTAL	8,585.89	5,826.71

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

12 Non-current investments

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Trade investments (valued at cost unless stated otherwise)		
Equity instruments (unquoted)		
Investments in subsidiary		
50,000 (March 31, 2014: 50,000) shares of ₹ 10/- each fully paid up in Kalyani Polytechnic Private Limited (Refer note a)	0.50	0.50
Investments in associates		
Talbahn GmbH (Refer note b)	0.30	0.30
4,286 (March 31, 2014: 4,286) shares of GBP 1/- each fully paid in Tecnica UK Limited	1.97	1.97
Less: Provision on diminution of investment	(1.97)	-
	-	1.97
4,900 (March 31, 2014: 4,900) shares of ₹ 10/- each fully paid up in Ferrovia Transrail Solutions Private Limited (including share in profit/(loss): profit of ₹ 0.01 Million (March 31, 2014: loss of ₹ (0.02) Million))	0.04	0.03
	0.84	2.80
Investments in others		
21,067,894 (March 31, 2014: 21,067,894) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited [Holding Company holds 5% (March 31, 2014: 5%) of the share capital]	210.68	210.68
504,432 (March 31, 2014: 504,432) equity shares of ₹ 10/- each fully paid up in Gupta Energy Private Limited (Refer note c)	72.13	72.13
Equity instruments (quoted)		
613,000 (March 31, 2014: Nil) equity shares of ₹ 2/- each fully paid up in KPIT Technologies Limited	100.24	-
Other investments (valued at cost unless stated otherwise)		
Bonds (unquoted)		
500 (March 31, 2014: 500) Non-convertible redeemable secured taxable bonds of ₹ 10,000/- each - Series IX (2013-14)	5.00	5.00
	388.05	287.81
TOTAL	388.89	290.61
Aggregate amount of quoted investments	100.24	-
[# Market value ₹ 115.55 Million (March 31, 2014: Nil)]		
Aggregate amount of unquoted investments	288.65	290.61
Aggregate amount of provision for diminution in value of investments	1.97	-

a) Kalyani Polytechnic Private Limited

Not included in consolidation based on materiality or where control is intended to be temporary/restricted.

b) CDP Bharat Forge GmbH

CDP Bharat Forge GmbH has, through a 35% equity participation exercise significant influence over Talbahn GmbH a Company which manages infrastructure facilities. Since there are no significant transactions and the financial impact on the consolidated financial statements being negligible, the same has not been consolidated.

c) Gupta Energy Private Limited

Shares of Gupta Energy Private Limited pledged against the facility obtained by Gupta Global Resources Private Limited.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

13 Loans and advances

	In ₹ Million			
	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital advances				
Unsecured, considered good	1118.43	882.33	-	-
Unsecured, considered doubtful	22.13	15.33	-	-
Less: Provision for doubtful advance	(22.13)	(15.33)	-	-
Share in capital advances of Joint venture	108.14	692.96	-	-
	1,226.57	1,575.29	-	-
Security deposits (including statutory deposits)				
Unsecured, considered good	453.75	406.01	3.29	10.41
Share in security deposits of Joint venture	3.11	11.01	13.06	2.25
	456.86	417.02	16.35	12.66
Loans and advances				
Unsecured, considered good unless stated				
otherwise				
Share in loans and advances of Joint venture	-	-	306.38	537.01
	-	-	306.38	537.01
Recoverable in cash or kind				
Unsecured, considered good	1.97	41.50	466.27	490.65
Unsecured, considered good share of Joint Venture	187.86	104.41	132.94	337.61
Unsecured, considered doubtful	-	-	35.44	45.12
Less: Provision for doubtful advance	-	-	(35.44)	(45.12)
	189.83	145.91	599.21	828.26
Others				
Unsecured, considered good				
Loan to employees	18.31	16.52	-	0.04
Advance income tax (net of provision for tax)	394.12	176.14	-	-
Share in advance income tax of Joint Venture (net of provision for tax)	6.48	0.42	-	-
Share in MAT credit entitlement of Joint Venture	32.92	20.80	-	-
Retention money	-	-	-	272.09
Advances to suppliers	-	-	511.21	1,043.85
Share in advances to suppliers of Joint Venture	-	-	489.57	3.39
Balances with statutory/ government authorities	-	1.23	449.88	779.13
Share in balances with statutory/government authorities of Joint Venture	-	5.00	7.33	2.20
Taxes and duty credits receivables	-	-	3,181.52	1,672.55
Share in Taxes and duty credits receivables of Joint Venture	-	-	-	0.04
Intercorporate deposit	75.00	-	50.00	-
Others	2.36	2.96	0.58	246.26
Share in others of Joint Venture	0.03	0.01	0.02	-
	529.22	223.08	4,690.11	4,019.55
	719.05	368.99	5,595.70	5,384.82
TOTAL	2,402.48	2,361.30	5,612.05	5,397.48

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

14 Other assets

In ₹ Million

	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good unless stated otherwise				
Non-current bank balance [Refer note 18]	0.05	0.37	-	-
	0.05	0.37	-	-
Derivative assets				
Forward contracts	-	-	5,275.13	1,800.60
	-	-	5,275.13	1,800.60
Others				
Export incentives receivable	-	31.21	1,564.53	1,412.47
Government grant under PSI Scheme	232.45	230.19	-	-
Energy credit receivable - Windmills	-	-	16.30	28.31
Interest accrued on fixed deposits and others	-	-	57.42	40.54
Share in interest accrued on fixed deposits of Joint Venture	-	-	2.18	0.08
Project work in progress	-	-	114.61	51.72
Others	-	-	1,449.03	1,421.14
Share in Others of Joint Venture	-	-	89.79	116.52
	232.45	261.40	3,293.86	3,070.78
	232.50	261.77	8,568.99	4,871.38

15. Current investments (valued at lower of cost and market value, unless stated otherwise)

In ₹ Million

	As at March 31, 2015	As at March 31, 2014
Investments in mutual funds (Refer standalone note 15(a) for details)	4,549.46	7,705.40
Share in investments of joint venture in mutual funds	17.00	15.98
TOTAL	4,566.46	7,721.38

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

16 Inventories (valued at lower of cost and net realizable value)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Raw materials and components [Refer note 21]	1,776.74	1,879.74
Share in raw materials and components of Joint Venture [Refer note 21]	7.51	11.39
Work-in-progress (includes lying with third party) [Refer note 22]	3,546.45	3,829.32
Share in work-in-progress (includes lying with third party) [Refer note 22]	0.04	-
Finished goods (including in transit) [Refer note 22]	2,374.46	2,360.54
Share in finished goods of Joint Venture [Refer note 22]	-	0.57
Dies and dies under fabrication [Refer note 22]	1,094.37	1,067.30
Scrap [Refer note 22]	25.83	20.37
Stores, spares and loose tools	1,513.55	1,216.58
TOTAL	10,338.95	10,385.81

17 Trade receivables

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Trade receivables (net of bills discounted with banks) [Refer note 34]		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	254.37	197.83
Share in considered good of Joint venture	37.46	3.18
Considered doubtful	52.80	49.48
Less: Provision for doubtful receivables	(52.80)	(49.48)
	-	-
	291.83	201.01
Other receivables		
Considered good	6,963.61	7,461.35
Share in other receivable of Joint venture	1,279.23	997.36
	8,242.84	8,458.71
TOTAL	8,534.67	8,659.72

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

18 Cash and bank balances

In ₹ Million

	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents				
Balances with banks				
In cash credit and current accounts	-	-	2,464.59	1,294.12
Share in cash credit and current accounts of Joint Venture	-	-	133.14	610.93
Deposits with original maturity of less than 3 months	-	-	1,030.01	490.00
Cash on hand	-	-	1.73	1.75
Share in cash on hand of Joint Venture	-	-	0.04	0.01
	-	-	3,629.51	2,396.81
Other bank balances				
Earmarked balance (an unclaimed dividend accounts)	-	-	25.38	22.67
Deposits with original maturity of more than 3 months but less than 12 months	-	-	2,738.76	1,740.00
Share in Deposits with original maturity of more than 3 months but less than 12 months of Joint Venture	-	-	-	67.87
Deposits with original maturity of more than 12 months (#)	0.05	0.37	0.49	-
Demand deposit \$	-	-	425.79	-
	0.05	0.37	3,190.42	1,830.54
Amount disclosed under non-current assets (under note 14)	(0.05)	(0.37)	-	-
TOTAL	-	-	6,819.93	4,227.35

(#) ₹ 0.03 Million (March 31, 2014; ₹ 0.03 Million) in non-current portion pledged with Sales tax department.

(\$) ₹ 425.79 Million (March 31, 2014: Nil) demand deposit pledged with bank.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

19 Revenue from operations

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Revenue from operations		
Sale of products (net of returns, rebates etc.)		
- Finished goods	66,918.46	56,199.31
- Share in finished goods of Joint Venture	36.26	55.57
- Manufacturing scrap	3,067.75	2,868.91
Sale of services		
- Job work / service charges	160.54	231.79
- Die design and preparation charges	508.70	478.45
- Share in services of Joint Venture	11.27	12.45
Project revenue		
- Project revenue	226.91	3,881.14
- Share in project revenue of Joint Venture	5,507.36	3,896.85
Other operating revenues		
- Export incentives	1,373.86	939.03
- Sale of electricity / REC - Windmills	57.32	59.82
- Other operating revenues	27.11	43.65
Revenue from operations (gross)	77,895.54	68,666.97
Less: Excise duty #	(1,648.05)	(1,508.53)
Revenue from operations (net)	TOTAL 76,247.49	67,158.44

Excise duty on sales amounting to ₹ 1,648.05 Million (March 31 2014: ₹ 1,508.53 Million) has been reduced from sales in consolidated statement of profit and loss and excise duty on (increase)/decrease in stock amounting to ₹ (0.65) Million (March 31, 2014: ₹ 0.33 Million) has been considered as an expense / (income) in note 26 of financial statements.

20 Other income

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Interest income on		
- Deposits	182.22	177.00
- Share in interest on deposits of Joint Venture	14.80	22.52
- Others	2.40	5.48
Dividend income from investment in mutual funds - current investment	402.73	393.57
Share in dividend income from investment in mutual funds - current investments of Joint Venture	1.02	1.19
Net gain on sale of		
- current investments	20.92	12.58
- long term investments	59.81	45.68
Gain on foreign exchange fluctuation (net)	-	5.90
Share in gain on foreign exchange fluctuation of Joint Venture (net)	31.00	158.28
Government grant under PSI scheme	166.26	122.22
Provision for doubtful debts and advances written back	0.84	15.89
Provisions no longer required written back	183.02	92.31
Share in Provisions no longer required written back of Joint Venture	0.01	-
Insurance (including keyman insurance) (net)	-	15.96
Miscellaneous income	302.39	178.24
Share in miscellaneous income of Joint Venture	0.13	-
	1,367.55	1,246.82

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

21 Cost of raw materials and components consumed

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Inventory at the beginning of the year (including Joint Venture)	1,891.13	2,503.58
Add: Purchases	28,552.85	28,117.03
	30,443.98	30,620.61
Less: Inventory at the end of the year (including Joint Venture)	1,784.25	1,891.13
Less: Consumption relating to discontinued operation	1.87	3,312.56
Cost of raw material and components consumed (Refer note 41)	28,657.86	25,416.92
21 (a) Project cost includes share of project cost of Joint Venture	4,668.03	3,507.07

22 Decrease/(Increase) in inventories of finished goods, work-in-progress and dies

	Year ended March 31, 2015	Year ended March 31, 2014	In ₹ Million (Increase)/ decrease
Inventories at the end of the year			
Work-in-progress	3,546.45	3,829.32	(282.87)
Share in work-in-progress of Joint Venture	0.04	-	0.04
Finished goods	2,374.46	2,360.54	13.92
Share in finished goods of Joint Venture	-	0.57	(0.57)
Dies and dies under fabrication	1,094.37	1,067.30	27.07
Scrap	25.83	20.37	5.46
TOTAL	7,041.15	7,278.10	(236.95)
Inventories at the beginning of the year			
Work-in-progress	3,829.32	3,364.09	465.23
Finished goods	2,360.54	2,925.23	(564.69)
Share in finished goods of Joint Venture	0.57	0.02	0.55
Dies and dies under fabrication	1,067.30	1,034.03	33.27
Scrap	20.37	23.34	(2.97)
Share in construction contracts in progress of joint venture	-	0.27	(0.27)
Less: Opening inventory related to discontinued operations *	-	(767.18)	767.18
TOTAL	7,278.10	6,579.80	698.30
Less: Change in inventory related to discontinued operation (Refer note 41)	57.99	109.62	(51.63)
TOTAL	178.96	(807.92)	986.88

* Adjustment of opening inventory related to disposal of subsidiary. Also refer note 41.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

23 Employee benefits expense

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Salaries, wages and bonus (including managing and whole time director's remuneration)	6,985.53	6,411.52
Share in salaries, wages and bonus (including managing and whole time director's remuneration) of Joint Venture	275.89	140.85
Contributions to		
- Provident fund [Refer note 29 (c)]	61.46	63.64
- Share in provident fund of Joint Venture	5.87	5.48
- Superannuation scheme	27.46	28.82
- Other fund / scheme #	1,309.86	1,051.72
- Gratuity fund [Refer note 29 (a), (f)]	85.03	35.92
- Share in Gratuity fund of Joint Venture	3.92	0.07
- Special gratuity fund [Refer note 29 (b)]	12.55	6.31
Employee voluntary retirement scheme compensation	4.78	1.39
Staff welfare expenses	252.35	124.02
Share in staff welfare expenses of Joint Venture	26.40	17.93
TOTAL	9,051.10	7,887.67

Other fund /scheme includes contribution towards jubilee scheme, early retirement scheme and ESIC scheme.

24 Depreciation and amortization expense

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Depreciation of tangible assets (Refer note 11.1)	3,503.38	3,676.15
Share in Depreciation of tangible assets of Joint Venture (Refer note 11.1)	11.85	10.55
Depreciation on assets held for sale for discontinuing operations (Refer note 41)	0.36	0.35
Share in Depreciation on assets held for sale for discontinuing operations (Refer note 41)	1.86	7.19
Amortization on intangible assets (Refer note 11.2)	108.83	91.24
Share in amortization on intangible assets (Refer note 11.2) of Joint Venture	0.15	1.92
Less: Depreciation in respect of discontinuing operation (Refer note 41)	(2.22)	(215.92)
TOTAL	3,624.21	3,571.48

25 Finance costs

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Interest on bank facilities	1,110.08	1,515.78
Share in Interest on bank facilities of Joint Venture	40.14	13.20
Interest on bills discounting	84.11	92.49
Bank charges including loan processing fees	98.30	55.30
Share in bank charges including loan processing fees of Joint Venture	23.33	14.75
TOTAL	1,355.96	1,691.52

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

26 Other expenses

		In ₹ Million
	Year ended March 31, 2015	Year ended March 31, 2014
Consumption of stores,spares and tools	2,987.76	2,544.58
Share in stores, spares and tools consumed of Joint Venture	-	0.27
Machining charges	3,207.76	2,605.14
Power, fuel and water	4,791.61	4,472.38
Less: Credit for energy generated	(62.51)	(85.89)
	4,729.10	4,386.49
Share in power, fuel and water of Joint Venture	0.07	0.09
Repairs and maintenance		
- Building repairs and road maintenance	106.40	72.95
- Share in building repairs and road maintenance of Joint Venture	0.43	1.57
- Plant and machinery	1,578.16	1,339.81
Other manufacturing expenses	96.23	232.13
Share in other manufacturing expenses of Joint Venture	0.19	0.41
Rent (Refer note 30)	190.91	158.86
Share in rent of Joint Venture	66.65	55.68
Rates and taxes (including wealth tax)	30.91	55.09
Share in rates and taxes (including Wealth Tax) of Joint Venture	7.87	0.32
Insurance (including Keyman insurance) (net)	118.07	-
Share in Insurance of Joint Venture	4.87	1.78
CSR Expenditure	112.31	-
Legal professional fees	536.66	574.84
Share in legal professional fees of Joint Venture	29.11	-
Commission and discount	390.76	118.05
Donations	81.00	107.61
Packing material	699.47	507.98
Freight forwarding charges	1,020.67	1,075.55
Directors' fees and travelling expenses	3.47	1.87
Commission to directors other than managing and whole time directors	10.00	10.00
Loss on sale of fixed assets (net)	0.98	2.01
Provision for doubtful debts and advances	44.42	72.37
Share in provision for doubtful debts and advances of Joint Venture	-	0.39
Bad debts / advances written off	62.37	6.28
Share in bad debts / advances written off of Joint Venture	41.97	0.01
Loss on foreign exchange fluctuation	342.62	-
Payment to Auditors	13.61	10.46
Excise duty on (increase)/decrease of stock	(0.65)	0.33
Share in provision for mark to market losses on forward contracts of Joint Venture	-	152.25
Goodwill on consolidation written off	29.10	-
Miscellaneous expenses *	2,345.08	2,554.14
Share in miscellaneous expenses of Joint Venture *	88.77	82.17
TOTAL	18,977.10	16,731.48

Above expenses include research and development expenses for details of which refer note 42

* Miscellaneous expenses include travelling expenses, printing, stationary, postage, telephone etc

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

27 Exceptional items

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Provision for expense of earlier year reversed [Refer note 27 (a)]	294.89	-
Profit on disposal of subsidiary and Joint Venture (Refer note 27 (b) and note 41)	132.68	605.43
Profit on sale of land [Refer note 27 (c)]	-	431.64
TOTAL	427.57	1,037.07

(a) Provision for expense of earlier year reversed

Till previous year, the Group made provision towards LBT payable. However, the liability was not settled as there was no appropriate authority and the administrative mechanism. During the year following abolition of LBT and based on the opinion obtained from the legal advisor, the liability has been reversed.

(b) Profit on sale of Investment

During the year, the group has divested its 50% stake in Impact Automotive Solutions Limited, which was formed in the year 2010 as a Joint Venture (JV). The stake was sold by the Company to the other JV Partner, resulting in gain of ₹ 40.97 Million on sale of investments. This also includes gain on merger of ₹ 91.71 Million of Kalyani Alstom Power Limited with Alstom Bharat Forge Power Limited. (Also refer note 39 (c))

(c) Profit on sale of land

During previous year the Group sold its land situated at Jalgaon resulting in a gain of ₹ 431.64 Million.

28 Earnings per equity share (EPS)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Numerator for basic and diluted EPS for continuing operations		
Net profit from continuing operations attributable to Shareholders	7,665.72	5,250.74
Numerator for basic and diluted EPS		
Net profit attributable to Shareholders including discontinuing operations	7,625.36	4,985.29
Weighted average number of equity shares in calculating basic EPS		
Number of equity shares outstanding at the beginning of the year (nos.)	232,794,316	232,794,316
	232,794,316	232,794,316
EPS - Basic - computed on the basis of profit from continuing operations (in ₹)	32.93	22.56
EPS - Basic - computed on the basis of total profit for the year (in ₹)	32.76	21.41
Weighted average number of equity shares in calculating diluted EPS		
Number of equity shares outstanding at the beginning of the year (nos.)	232,794,316	232,794,316
	232,794,316	232,794,316
EPS - Diluted - computed on the basis of profit from continuing operations (in ₹)	32.93	22.56
EPS - Diluted - computed on the basis of total profit for the year (in ₹)	32.76	21.41

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans

Holding Company

(a) Gratuity plan

Funded scheme

The holding Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service get a gratuity on departure at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plan.

Consolidated statement of profit and loss

Net employee benefit expense recognised in employee cost in consolidated statement of profit and loss

	Year ended March 31, 2015	Year ended March 31, 2014
		In ₹ Million
Current service cost	48.06	41.72
Interest cost on benefit obligation	52.79	44.63
Expected (return) on plan assets	(30.53)	(25.74)
Net actuarial (gain) / loss recognised in the year	14.04	(24.73)
Interest income	-	-
Net benefit expense	84.36	35.88
Actual return on plan assets	31.39	25.69

Consolidated balance sheet

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

	Year ended March 31, 2015	Year ended March 31, 2014
		In ₹ Million
Opening fair value of plan assets	322.98	274.74
Expected return	30.53	25.74
Contribution by employer	69.85	63.67
Benefits (paid)	(37.34)	(41.12)
Actuarial (losses) / gains	0.85	(0.05)
Closing fair value of plan assets	386.87	322.98

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

	Year ended March 31, 2015	Year ended March 31, 2014
		In ₹ Million
Opening defined benefit obligation	598.83	578.38
Interest cost	52.79	44.63
Current service cost	48.06	41.72
Benefits (paid)	(37.34)	(41.12)
Actuarial (gains) / losses on obligation	14.89	(24.78)
Closing defined benefit obligation	677.23	598.83

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

Benefit asset/ (liability)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets	386.87	322.98
Present value of defined benefit obligations	(677.23)	(598.83)
Plan asset / (liability)	(290.36)	(275.85)

The holding Company expects to contribute ₹ 70.00 Million to gratuity fund in the next year (March 31, 2014: ₹ 65.00 Millions)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2015	As at March 31, 2014
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	In % per annum	
	As at March 31, 2015	As at March 31, 2014
Discount rate	7.80%	9.10%
Expected rate of return on assets	9.00%	9.00%
Increment rate	6.00%	6.00%

The estimates of future salary 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 overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amount for the current and previous four periods are as follows:

	In ₹ Million				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Plan assets	386.87	322.98	274.74	236.86	211.11
Defined benefit obligation	677.23	598.83	578.38	536.44	486.01
Surplus/ (deficit)	(290.36)	(275.85)	(303.64)	(299.58)	(274.90)
Experience adjustments on plan liabilities	26.02	(6.00)	9.66	(2.69)	(59.59)
Experience adjustments on plan assets	0.85	(0.05)	2.90	1.10	(0.58)

(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 get an additional gratuity on departure which will be salary of five months based on last drawn basic salary. The scheme is unfunded.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

The following tables summarize the components of net benefit expense recognised in the consolidated statement of profit and loss and amounts recognised in the consolidated balance sheet.

Consolidated statement of profit and loss

Net employee benefit expense recognised in employee cost in consolidated statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	8.30	0.09
Interest cost on benefit obligation	3.24	2.83
Expected return on plan assets	-	-
Net actuarial loss recognised in the period	1.01	3.39
Interest income	-	-
Net benefit expense	12.55	6.31
Actual return on plan assets	-	-

Consolidated balance sheet

Changes in the present value of the defined benefit obligation (recognised in consolidated balance sheet) are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	39.11	37.80
Interest cost	3.24	2.83
Current service cost	8.30	0.09
Benefits (paid)	(6.23)	(5.00)
Actuarial losses on obligation	1.01	3.39
Closing defined benefit obligation	45.43	39.11

Benefit asset/ (liability)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets	-	-
Present value of defined benefit obligations	(45.43)	(39.11)
Plan asset / (liability)	(45.43)	(39.11)

The principal assumptions used in determining special gratuity for the holding Company's plan is shown below:

	As at	
	March 31, 2015	March 31, 2014
Discount rate	7.80%	9.00%
Increment rate	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

Amount for the current and previous three periods are as follows:

	March 31, 2015	As at			
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Plan assets	-	-	-	-	-
Defined benefit obligation	45.43	39.11	37.80	40.13	45.37
Surplus/ (deficit)	(45.43)	(39.11)	(37.80)	(40.13)	(45.37)
Experience adjustments on plan liabilities	1.49	5.04	0.20	(2.69)	-
Experience adjustments on plan assets	-	-	-	-	-

(c) Provident fund

In accordance with 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 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.

Under defined benefit plan, the Holding 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 is as follows:

The Holding Company has provided ₹ Nil towards shortfall in the interest payment on provident fund as per actuary report during the year ended March 31, 2015 (March 31, 2014: ₹ Nil)

The actuary has followed Black Scholes Option Pricing approach

The following tables summarize the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans.

Consolidated statement of profit and loss

Net employee benefit expense recognised as employee cost in consolidated statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	1.79	1.85
Interest cost on benefit obligation	-	0.95
Expected (return) on plan assets	(1.09)	(0.84)
Net actuarial (gain) / loss recognised in the period	9.21	(16.61)
Interest (income)	-	-
Net benefit expense/(Income) #	9.91	(14.65)

As there is no present obligation the expense has not been accounted for in the previous year

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

Consolidated balance sheet

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Opening fair value of plan assets	12.09	9.28
Expected return	1.09	0.84
Contribution by employer	-	-
Benefits (paid)	-	-
Actuarial gains	3.40	1.97
Closing fair value of plan assets	16.58	12.09

Changes in the present value of guaranteed interest rate obligation:

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Opening guaranteed interest rate obligation	-	11.84
Interest cost	-	0.95
Current service cost	1.79	1.85
Benefits paid	-	-
Actuarial (gains)/losses on obligation	12.61	(14.64)
Closing guaranteed interest rate obligation	14.40	-

Benefit asset/(liability)

	As at March 31, 2015	In ₹ Million As at March 31, 2014
Fair value of plan assets	16.58	12.09
Present value of guaranteed interest rate obligation	(14.40)	-
Plan asset/(liability) #	2.18	12.09

The Company has not recognised the plan asset in the books based on the concept of prudence.

Assumptions under the Black Scholes option pricing approach are as follows:

	As at March 31, 2015	In % per annum As at March 31, 2014
Discount rate	7.80%	9.10%
Expected guaranteed rate	8.75%	8.75%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

Amount for the current and previous four years are as follows:

	In ₹ Million				
	As at				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011#
Plan assets	16.58	12.09	9.28	2.36	-
Guaranteed interest rate obligation	14.40	-	11.84	-	-
Surplus/(deficit)	2.18	-	(2.56)	-	-
Experience adjustments on rate obligation	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

#Till the year ended March 31, 2011 the interest shortfalls could not be computed by the actuaries since the Institute of Actuaries of India has not issued the final guidance on valuation of the same. In the year 2011-12 the Institute of Actuaries of India has issued the guidance note for measurement of provident fund liabilities, accordingly the Company has started providing for interest shortfalls based on actuarial valuation since financial year 2011-12. Hence earlier years' data is not available.

Overseas subsidiaries

(d) Pension plan

The subsidiaries have a defined pension plan. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognised in the consolidated statement of profit and loss and amounts recognised in the consolidated balance sheet for the respective plans.

Consolidated statement of profit and loss

Net employee benefit expense recognised in employee cost in consolidated statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	20.54	20.27
Interest cost on benefit obligation	23.69	21.91
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	179.40	(13.91)
Interest income	-	-
Net benefit expense	223.63	28.27

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	560.76	539.04
Interest cost	23.69	21.91
Current service cost	20.54	20.27
Benefits paid	(8.28)	(6.55)
Actuarial (gains) / losses on obligation	179.40	(13.91)
Closing defined benefit obligation	776.11	560.76

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

Benefit asset/ (liability)

	As at March 31, 2015	In ₹ Million As at March 31, 2014
Fair value of plan assets		-
Present value of defined benefit obligations	776.11	(560.76)
Plan asset / (liability)	776.11	(560.76)

In addition to above, in case of certain subsidiary companies, actuarial liability is determined based on estimates amounting to ₹ 14.43 Million. (March 31, 2014: ₹ 179.45 Million)

The principal assumptions used in determining pension for the Company's plan is shown below:

	As at March 31, 2015	As at March 31, 2014
Discount rate	2.00%	3.70%
Increment rate	2.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous four periods are as follows:

	In ₹ Million				
	March 31, 2015	March 31, 2014	As at March 31, 2013	March 31, 2012	March 31, 2011
Plan assets					
Defined benefit obligation	776.11	560.76	539.04	408.24	399.67
Surplus/ (deficit)		-	-	-	-
Experience adjustments on plan liabilities	179.40	(13.91)	103.82	(24.01)	27.36
Experience adjustments on plan assets	-	-	-	-	-

(e) Other long term benefits

Other long term benefits includes early retirement scheme as governed by the local laws amounting to ₹ 32.71 Million (March 31, 2014: ₹ 58.65 Million) and jubilee scheme as governed by the local laws amounting to ₹ 39.93 Million (March 31, 2014: ₹ 46.94 Million).

Indian subsidiaries

(f) Gratuity plan

Funded scheme

Some of the Indian subsidiaries have a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years of service get a gratuity on departure at 15 days last drawn basic salary for each completed year of service. The gratuity plan is funded in few Indian subsidiaries in the form of qualifying insurance policies. The disclosure given below is on the basis of such information as has been disclosed in the standalone financial statements of the subsidiaries.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

The following tables summarize the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans.

Consolidated statement of profit and loss

Net employee benefit expense recognised in employee cost in consolidated statement of profit and loss

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	11.84	0.84
Interest cost on benefit obligation	0.68	0.20
Expected return on plan assets	(7.73)	-
Net actuarial (gain) / loss recognised in the year	(0.20)	(0.93)
Interest income	-	-
Net benefit expense	4.59	0.11
Actual return on plan asset	-	-

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening fair value of plan assets	-	-
Adjustment to opening fair value of plan assets	8.62	-
Expected return	(7.73)	-
Contribution by employer	0.21	4.72
Benefits paid	(1.08)	(4.72)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	0.02	-

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	0.28	3.62
Opening defined benefit obligation on acquisition of subsidiary	-	1.33
Interest cost	0.68	0.20
Current service cost	11.84	0.78
Benefits paid	(0.20)	(4.72)
Actuarial losses / (gains) on obligation	(1.08)	(0.93)
Closing defined benefit obligation	11.52	0.28

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

29 Gratuity and other post-employment benefits plans (Contd.):

Benefit asset/ (liability)

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets	0.02	-
Present value of defined benefit obligations	(11.52)	(0.28)
Plan asset / (liability)	(11.50)	(0.28)

In case of certain Indian subsidiary companies, actuarial liability is determined based on estimates amounting to ₹ 0.04 Million since AS-15 is not applicable to such companies. (March 31, 2014: ₹ Nil)

The principal assumptions used in determining gratuity for the Indian subsidiary Companies' plan is shown below:

	As at March 31, 2015	As at March 31, 2014
Discount rate	7.74% to 9%	8% to 9%
Increment rate	6% to 8.5%	4% to 6%

The estimates of future salary 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 overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amount for the current and previous four periods are as follows:

	In ₹ Million			
	March 31, 2015	March 31, 2014	As at	
			March 31, 2013	March 31, 2012
Plan assets	0.02	-	1.34	-
Defined benefit obligation	11.52	0.28	2.65	0.44
Surplus/ (deficit)	(11.50)	(0.28)	(1.31)	(0.44)
Experience adjustments on plan liabilities	-	-	-	-
Experience adjustments on plan assets	-	-	-	-

The above number include share of Joint Venture

30 Leases

Operating leases: Group as lessee

The Group has entered into agreements in the nature of lease / leave and license agreement with different lessors / licensors for the purpose of establishment of office premises/residential accommodations. These are generally in nature of operating lease / leave and license. There are no transactions in the nature of sub lease. Period of agreements are generally for three years and renewal at the options of the lessor. There are no escalation clause or restrictions placed upon the Group by entering into these leases. There is no contingent rent clause in the lease agreements.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

30 Leases (Contd.)

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Lease rentals during the year		
- On cancellable leases	257.56	214.54
- On non-cancellable leases	-	-
	257.56	214.54

* Includes numbers with respect to discontinuing operations.
The above number include share of Joint Venture

Operating leases: Group as lessor

The group has entered into agreements in the nature of lease/leave and license agreement with different lessee/licensees for the purpose of land/building etc. These are generally in nature of operating lease. Period of agreements are generally for three to ten years and cancellable with a notice of thirty days to six months and renewal at the options of the lessee / lessor.

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Lease rentals during the year		
- On cancellable leases	2.40	2.40
- On non-cancellable leases	-	-
	2.40	2.40

Finance leases: Group as lessee

The Group has finance leases for various items of plant and machinery. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	March 31, 2015		March 31, 2014	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	58.19	54.76	33.24	30.74
After one year but not more than five years	101.54	96.59	55.18	52.06
More than five years	7.29	7.19	-	-
Total Minimum Lease Payments (MLP)	167.02	158.54	88.42	82.80
Less: Finance charges	8.48	-	5.62	-
Present value of Minimum Lease Payments	158.54	158.54	82.80	82.80

Operating leases: Group as lessor

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
Lease rentals during the year		
- On cancellable leases	3.20	2.40
- On non-cancellable leases	-	-
	3.20	2.40

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

31 Segment information

In accordance with paragraph 4 of notified Accounting Standard 17 (AS-17) "Segment Reporting" the Group has disclosed segment information only on the basis of the consolidated financial statements which are presented together with the unconsolidated financial statements. The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized 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 Company has identified its business segment as its primary reporting segment which comprises of "forgings" and "Projects (Capital goods)". Secondary information is reported geographically.

The "forging" segment produces and sells steel forging products comprising of forgings, finished machined crankshafts, front axle assembly & components and ring rolling etc. The "Projects (Capital goods) includes engineering, procurement and commissioning business for power and infrastructure related projects.

Sr. No.	Particulars	In ₹ Million	
		Year ended March 31, 2015	Year ended March 31, 2014
1	Segment Revenue		
a	Steel forging	70,277.25	59,148.55
b	Projects (Capital goods)	5,854.13	7,817.60
c	Discontinuing operations	59.39	5,802.88
	TOTAL	76,190.77	72,769.03
	Net Sales/Income from Operations	76,190.77	72,769.03
2	Segment Results:		
	Profit/(Loss) (before tax and interest from each segment)		
a	Steel forging	15,055.97	10,141.17
b	Projects (Capital goods)	203.79	(92.98)
c	Discontinuing operations	(40.63)	(154.95)
	TOTAL	15,219.13	9,893.24
	Less:		
1	Finance costs from continuing operations	1,355.96	1,691.52
2	Finance costs from discontinuing operations	-	239.46
3	Other un-allocable expenditure net off un-allocable income	3,108.55	2,071.32
4	Total Profit Before Tax & Exceptional Items	10,754.62	5,890.94
	Add:		
	Exceptional items	427.57	1,037.07
	Profit/(Loss) before Tax from continuing operations	11,222.82	7,322.42
	Profit/(Loss) before Tax from discontinued operations (before minority interest)	(40.63)	(394.41)
3	Total carrying amount of segment assets		
a	Steel forging	53,945.65	50,967.97
b	Projects (Capital goods)	9,476.43	8,104.14
c	Discontinuing operations	31.84	115.15
d	Unallocable Assets including Unutilised Fund	18,367.95	16,101.01
	TOTAL	81,821.87	75,288.27
4	Total amount of segment liabilities.		
a	Steel forging	14,162.42	16,781.50
b	Projects (Capital goods)	4,875.05	1,479.79
c	Discontinuing operations	4.21	60.66
d	Unallocable	1,773.83	2,762.78
	TOTAL	20,815.51	21,084.73

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

31 Segment information

Sr. No.	Particulars	In ₹ Million	
		Year ended March 31, 2015	Year ended March 31, 2014
5	Capital Employed (Segment assets - Segment Liabilities)		
a	Steel forging	39,783.23	34,186.47
b	Projects (Capital goods)	4,601.38	6,624.35
c	Discontinuing operations	27.63	54.49
d	Unallocable Assets less Liabilities including Unutilised Fund temporarily deployed	16,594.12	13,338.23
	TOTAL	61,006.36	54,203.54
6	Total cost incurred during the year to acquire segment assets that are expected to be used during more than one period		
a	Steel forging	4,428.93	3,871.77
b	Projects (Capital goods)	454.29	331.41
c	Discontinuing operations	-	-
d	Unallocable	76.42	233.93
	TOTAL	4,959.64	4,437.11
7	Depreciation		
a	Steel forging	3,403.47	3,138.49
b	Projects (Capital goods)	13.33	8.66
c	Discontinuing operations (Steel forging)	2.22	215.91
d	Unallocable	207.41	424.33
	TOTAL	3,626.43	3,787.39
8	Secondary information in respect of geographical segment on the basis of location of customers		
8.1	Segment revenue		
a	Within India	24,146.82	23,271.25
b	Outside India	52,043.95	49,497.78
	TOTAL	76,190.77	72,769.03
8.2	Segment assets		
a	Within India	61,537.97	55,578.94
b	Outside India	20,283.90	19,709.33
	TOTAL	81,821.87	75,288.27
8.3	Total cost incurred during the year to acquire segment assets that are expected to be used during more than one period		
a	Within India	2830.97	3,192.64
b	Outside India	2,128.67	1,244.47
	TOTAL	4,959.64	4,437.11

The total carrying amount of segment assets does not include goodwill arising on consolidation amounting to ₹ 537.24 Million (March 31, 2014: ₹ 56.80 Million)

Total segment revenue from operations does not include revenue from some of the insignificant business lines amounting to ₹ 116.11 Million (March 31, 2014: ₹ 192.29 Million), which has been considered as unallocable income.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures

(i) Names of the related parties and related party relationship

Related parties with whom transactions have taken place during the year

Associates	Technica U.K. Limited (Investment through wholly owned subsidiary)
	Ferrovia Transrail Solutions Private Limited (Investment through wholly owned subsidiary)

Related parties with whom transactions have taken place during the year (Contd.)

Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates	Kalyani Carpenter Special Steels Limited
	Kalyani Steels Limited
	BF Utilities Limited
	Automotive Axle Limited
	ALSTOM Holdings, France
	ALSTOM India Limited (formally known as ALSTOM Projects India Limited)
	ALSTOM Technology Limited
	ALSTOM Switzerland Limited
	ALSTOM Power GmbH
	ALSTOM POWER SP.Z O.O., Poland
	ALSTOM Service Sdn Bhd
	ALSTOM Beizhong Power (Beijing) Co
	ALSTOM Grid SAS
	Alstom Middle East Fze
	ALSTOM Technologie AG
	ALSTOM Power Systems SA, France
	ALSTOM Support, France
	ALSTOM Carbon Capture GmbH, Germany
	ALSTOM Power SP. Z.O.O W Warsawie
	ALSTOM Beijing Engineering
	Alstom Power Energy
	ALSTOM Grid SAS
	ALSTOM India Ltd.
	ALSTOM Bharat Forge Limited (upto March 31, 2014)
	Changchun FAW Tianqi Hot forging and Die Co Ltd., China (upto November 12, 2013)
	FAW Jiefang Automobile Co. Ltd., China (upto November 12, 2013)
	MI Ninth Design & Research Institute Co. Limited, China (upto November 12, 2013)
	FAW Jiefang Automobile Co. Limited, China (upto November 12, 2013)
	FAW Volkswagen Automobile Co. Limited , China (upto November 12, 2013)
	Harbin Light-duty truck Factory of FAW, China (upto November 12, 2013)
	Technical Center of FAW, China (upto November 12, 2013)
	Tianjin FAW XIALI Automobile Co. Limited, China (upto November 12, 2013)
	FAW Power Energy Branch Company, China (upto November 12, 2013)
Joint Ventures of fellow subsidiary	NTPC Limited, India
	KPIT Technologies Limited, India (upto June 30, 2014)
	Elbit Systems Land and C4I Limited
	KPIT Cummins Infosystems Limited

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 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 year (Contd.)

Enterprises having common Key Management Personnel	Integrated Clean Room Technologies Limited
Key management personnel	Mr. B. N. Kalyani
	Mr. A. B. Kalyani
	Mr. G. K. Agarwal
	Mr. B. P. Kalyani
	Mr. S. E. Tandale
	Mr. K. M. Saletore (w.e.f. February 2, 2015)
	Mr. S. K. Chaturvedi (upto December 31, 2013)
	Mr. Vijay Kumar Jain
	Mr. Jean-Pierre Fouilloux (Appointed w.e.f. April 8, 2013)
	Mr Nirjhar Sarkar
	Mr Rajesh Mahapatra
	Mr. Andreas Lusch
	Mr. Philippe Choquet
	Mr. Alain Spohr (Appointed w.e.f. July 19, 2013)
	Mr Vijay Kumar Neginal
	Mr. Venkatesh Subramanyam
	Mr. Deepak Bedekar
	Mr. Rajkumar Mishra
	Mr. K. Padmanabham
	Mr. T. V. Prasad
	Mr. Jagmohan Bijalwan
	Mr. Tushar Mane
	Mr. Abhijit Bhattacharya

Transactions and balances less than 10% of the total transactions and balances disclosed as "Others".

(ii) Related party transactions

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
1	Purchase of goods	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Carpenter Special Steels Limited	10,811.12	9,367.63
		Kalyani Steels Limited	4,116.51	3,211.12
		ALSTOM Power GmbH	2,601.66	865.81
		ALSTOM POWER SP. Z.O.O.	60.24	14.54
		ALSTOM (SWITZERLAND) Limited	43.23	22.33

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.):

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
		ALSTOM Technology Limited	-	0.04
		ALSTOM Power System SA	21.33	-
		ALSTOM Power SP. Z.O.O W Warsawie	16.47	-
		ALSTOM Beizhong Power (Beijing) Co	35.69	-
		ALSTOM Grid SAS	4.85	-
			17,711.10	13,481.47
2	Procurement of Die	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates		
		Changchun FAW TIANQI Hot Forging & Die Co. Ltd.	-	141.76
			-	141.76
3	Procurement of material	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates		
		FAW Jiefang Automobile Co., Ltd.	-	20.71
			-	20.71
4	Procurement of construction side	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates		
		MI Ninth Design & Research Institute Co. Ltd.	-	182.90
			-	182.90
5	Sale of goods	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates		
		Kalyani Carpenter Special Steels Limited	1,842.92	1,511.91
		Automotive Axles Limited	168.34	93.55
		Kalyani Steels Limited	21.14	-
		FAW Jiefang Automobile Co. Limited	-	2,291.01
		FAW Volkswagen Automobile Co. Limited	-	604.38
		Harbin Light-duty truck Factory of FAW	-	57.24
		Technical Center of FAW	-	6.01
		Tianjin FAW XIALI Automobile Co. Limited	-	12.43
		KPIT Technologies Limited	-	2.54
			2,032.40	4,579.07

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.):

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
6	Sale of Export Incentives	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates Kalyani Carpenter Special Steels Limited	16.24	24.91
			16.24	24.91
7	Procurement of power and fuel	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates FAW Power Energy Branch Company	-	410.59
			-	410.59
8	Finance provided: Equity Contribution, inclusive of advances against equity	Joint Ventures of fellow subsidiary KPIT Technologies Limited	-	70.00
			-	70.00
	- Loan / ICD	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates BF Utilities Limited	75.00	-
			75.00	-
9	Support of technical Services	Enterprises owned or significantly influenced by key management Alstom Switzerland Limited	-	4.54
			-	4.54
10	Reimbursement of expenses paid	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates Kalyani Carpenter Special Steels Limited Kalyani Steels Limited Mr. Venkatesh Subramanyam	1.34 - -	0.32 0.32 0.55
			1.34	1.19
		Joint Ventures of fellow subsidiary KPIT Technologies Limited	-	9.57
			-	9.57
			1.34	10.76

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
11	Advance given to vendors	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		ALSTOM Power GmbH	-	182.79
		ALSTOM India Limited	79.53	50.93
		ALSTOM Beizhong Power (Beijing) Co.	161.32	4.84
		ALSTOM Power System SA	14.50	-
		ALSTOM Grid SAS	0.76	-
			256.11	238.56
12	Sale of services for projects	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		ALSTOM (SWITZERLAND) Limited	-	1.82
		ALSTOM Power GmbH	-	0.59
		ALSTOM Beizhong Power (Beijing) Co.	11.14	28.96
		ALSTOM Power SP.Z O.O.	1.82	2.56
		ALSTOM Power System SA	0.82	0.70
		ALSTOM Service Sdn Bhd	2.97	-
		ALSTOM India Limited	3.06	4.03
			19.81	38.66
13	Technical Services availed	Joint Ventures of fellow subsidiary		
		ALSTOM (SWITZERLAND) Limited	-	6.49
		ALSTOM Power Systems SA	1.74	-
		ALSTOM Power SP. Z.O.O.	0.56	-
		ALSTOM Technology Limited	30.22	-
		ALSTOM Beijing Engineering	1.48	-
		ALSTOM Holdings	-	2.35
			34.00	8.84
14	Sale of materials towards capital work in progress	Joint Ventures of fellow subsidiary		
		ALSTOM Bharat Forge Power Limited	-	104.81
			-	104.81
	Capital advances transferred	Joint Ventures of fellow subsidiary		
		ALSTOM Bharat Forge Power Limited	-	77.53
			-	77.53

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
	Short term financial arrangement received	Joint Ventures of fellow subsidiary ALSTOM Bharat Forge Power Limited	-	333.59
			-	333.59
15	Fund reimbursed (includes expenses incurred on behalf of Company)	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates ALSTOM India Limited ALSTOM Bharat Forge Power Limited	7.90 -	0.38 0.28
			7.90	0.66
16	Rent and maintenance expenses	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates ALSTOM India Limited	44.82	38.30
			44.82	38.30
17	Reimbursement of salary and employee related costs	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates ALSTOM Power Energy ALSTOM Middle East Fze ALSTOM Power System SA	0.35 1.81 0.43	- - -
			2.59	-
18	IT/Software/Hardware Cost	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates ALSTOM (SWITZERLAND) Limited ALSTOM India Ltd	20.08 12.51	16.49 10.44
			32.59	26.93
19	Purchase of services	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates ALSTOM Power Systems SA ALSTOM India Limited ALSTOM (SWITZERLAND) Limited ALSTOM Power SP. Z.O.O. ALSTOM Power SP. Z.O.O. W WARSAWIE ALSTOM Power GmbH	- 55.85 12.81 4.40 1.81 5.72	8.71 72.61 0.33 - - -
			80.59	81.65

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
20	Purchase of fixed assets	Joint Ventures of fellow subsidiary Elbit Systems Land and C4I Limited	17.12	-
			17.12	-
		Enterprises having common Key Management Personnel Integrated Clean Room Technologies Limited	-	0.51
			-	0.51
			17.12	0.51
21	Services received	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates BF Utilities Limited	5.76	255.63
		KPIT Technologies Limited	-	0.17
			5.76	255.80
22	Lease payments, including facility charges received	Joint Ventures of fellow subsidiary KPIT Technologies Limited	-	0.77
			-	0.77
23	Services rendered	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates Automotive Axles Limited	115.77	83.72
		Kalyani Carpenter Special Steels Limited	29.93	59.07
			145.70	142.79
24	Reimbursement of expenses received	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates Kalyani Carpenter Special Steels Limited	1.24	0.19
		Kalyani Steels Limited	0.17	0.39
		Automotive Axles Limited	1.08	-
		ALSTOM Carbon Capture GmbH	-	0.61
			2.49	1.19

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
25	Interest on loan taken	Enterprises having common Key Management Personnel Integrated Clean Room Technologies Limited	-	0.30
			-	0.30
26	Interest on trade advance/ICD/loan given	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates Kalyani Steels Limited (Trade advance) BF Utilities Limited (ICD) ALSTOM Bharat Forge Limited (Loan)	20.81 2.83 -	22.49 - 3.99
			23.64	26.48
27	Reimbursement of salary and allowances	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates ALSTOM India Limited	0.90	4.10
			0.90	4.10
28	Support Services for Transportation	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/associates ALSTOM (SWITZERLAND) Limited	0.84	-
			0.84	-
29	Managerial remuneration	Key management personnel (including subsidiaries/joint ventures) Mr. B. N. Kalyani Mr. A. B. Kalyani Mr. G. K. Agarwal Mr. S. E. Tandale Mr. S. K. Chaturvedi Mr. B. P. Kalyani Mr. K. M. Saletore# Mr. Tushar Mane Mr. Jagmohan Bijalwan Mr. Vijay Kumar Neginal	176.51 51.92 52.58 39.76 - 37.17 28.34 - - 1.07 0.40	125.33 40.26 40.75 32.76 23.53 30.49 - 1.53 - 0.01

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(ii) Related party transactions (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	Year ended	
			March 31, 2015	March 31, 2014
		Mr. Rajkumar Mishra	0.22	-
		Mr. Deepak Bedekar	0.03	-
		Mr. Vijay Kumar Jain	-	2.75
		Mr. Jean-Pierre Fouilloux	-	0.34
		Mr. Alain Spohr	16.10	14.22
		Mr. Nirjhar Sarkar	2.56	-
		Mr. Rajesh Mahapatra	1.64	-
		Mr. Venkatesh Subramanyam	5.18	3.08
		Mr. K. Padmanabham	1.80	-
		Mr. T. V. Prasad	1.80	-
			417.08	315.05
30	Dividend provided	Key management personnel		
		Mr. B. N. Kalyani	0.21	0.17
		Mr. A. B. Kalyani	1.93	1.54
		Mr. G. K. Agarwal	0.01	0.01
		Mr. B. P. Kalyani	0.02	0.01
			2.17	1.73

Disclosed for the full year

(iii) Balance outstanding as at the year end

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	As at	
			March 31, 2015	March 31, 2014
1	Payable towards purchases	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Carpenter Special Steels Limited	2,277.34	724.49
		Kalyani Steels Limited	428.25	73.05
			2,705.59	797.54
2	Advances against equity	Joint Ventures of fellow subsidiary		
		KPIT Technologies Limited	-	20.00
			-	20.00
3	Payable towards services	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		BF Utilities Limited	0.78	1.52
			0.78	1.52

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(iii) Balance outstanding as at the year end (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	As at	
			March 31, 2015	March 31, 2014
4	Trade receivable	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Carpenter Special Steels Limited	584.82	509.43
		ALSTOM Power GmbH	-	0.59
		ALSTOM POWER SP.Z O.O.	0.40	2.56
		ALSTOM Service Sdn Bhd	2.97	-
		ALSTOM Power System SA	0.87	0.70
		ALSTOM India Limited	13.93	7.13
		Others	42.05	41.83
			645.04	562.24
		Joint Ventures of fellow subsidiary		
		KPIT Technologies Limited	-	2.94
			-	2.94
	645.04	565.18		
5	Receivable for sale of services	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Carpenter Special Steels Limited	14.22	17.34
		Automotive Axles Limited	34.59	20.35
		48.81	37.69	
6	Other payable	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		ALSTOM Bharat Forge Power Limited	-	418.75
		ALSTOM India Limited	54.82	67.11
		ALSTOM Support France	0.26	0.24
		ALSTOM Power Systems SA	22.11	0.81
		ALSTOM (SWITZERLAND) Limited	36.85	22.25
		ALSTOM Power GmbH	928.01	604.81
		ALSTOM Holdings	1.67	2.11
		ALSTOM Power SP. Z.O.O.	58.53	-
		ALSTOM Beizhong Power (Beijing) Co.	6.57	-
		ALSTOM Grid SAS	4.85	-
		ALSTOM Middle East Fze	0.81	-
ALSTOM Technologie AG	26.57	-		
	1,141.05	1,116.08		

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(iii) Balance outstanding as at the year end (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	As at	
			March 31, 2015	March 31, 2014
		Enterprises having common Key Management Personnel		
		Integrated Clean Room Technologies Limited	0.79	0.60
			0.79	0.60
		Joint Ventures of fellow subsidiary		
		NTPC Limited	-	1.18
		Ferrovial Transrail Solutions Private Limited	-	0.02
			-	1.20
			1,141.84	1,177.88
7	Short term loans and Advances	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Alstom Power Limited	-	405.78
		ALSTOM India Limited	103.18	48.12
		ALSTOM Power GmbH	36.70	483.30
		ALSTOM Beizhong Power (Beijing) Co.	152.00	4.84
		ALSTOM Power System SA	14.50	-
		ALSTOM Grid SAS	0.76	-
		ALSTOM India Limited	1.68	-
		ALSTOM Carbon Capture GmbH	-	0.61
		ALSTOM Technology Limited	-	0.13
			308.82	942.78
8	Investments balance	Joint Ventures of fellow subsidiary		
		NTPC Limited	-	58.80
			-	58.80
9	Trade receivable	Joint Ventures of fellow subsidiary		
		KPIT Cummins Infosystems Limited	-	2.94
			-	2.94
10	Interest receivable	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Steels Limited	4.99	5.55
		BF Utilities Limited	1.10	-
			6.09	5.55

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(iii) Balance outstanding as at the year end (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	As at	
			March 31, 2015	March 31, 2014
11	Other current liabilities	Joint Ventures of fellow subsidiary		
		KPIT Cummins Infosystems Limited	-	2.29
			-	2.29
12	Reimbursement Receivable	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Carpenter Special Steels Limited	0.12	0.01
		Kalyani Steels Limited	0.03	0.04
			0.15	0.05
13	Reimbursement Payable	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Carpenter Special Steels Limited	-	0.32
		Kalyani Steels Limited	-	0.32
			-	0.64
14	Loan taken	Enterprises having common Key Management Personnel		
		Integrated Clean Room Technologies Limited	2.00	2.00
			2.00	2.00
15	Loans given / ICD placed	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		Kalyani Steels Limited (Trade advance)	770.00	770.00
		BF Utilities Limited (ICD)	75.00	-
			845.00	770.00
16	Advances receivable	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates		
		BF Utilities Limited	210.00	210.00
			210.00	210.00

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

32 Related party disclosures (Contd.)

(iii) Balance outstanding as at the year end (Contd.)

(In ₹ Million)

Sr. no.	Nature of transaction	Name of the related party and nature of relationship	As at	
			March 31, 2015	March 31, 2014
17	Advance from customer	Enterprises owned or significantly influenced by key management personnel or through their subsidiaries/ associates Automotive Axles Limited	8.57	35.00
			8.57	35.00
18	Managerial remuneration payable*	Key management personnel (including subsidiaries/joint ventures) Mr. B. N. Kalyani Mr. A. B. Kalyani Mr. G. K. Agarwal Mr. S. E. Tandale Mr. S. K. Chaturvedi Mr. B. P. Kalyani Mr. K. M. Saletore	120.00 24.00 24.00 25.00 - 24.00 17.00	75.00 15.00 15.00 20.00 4.50 19.00 -
			234.00	148.50

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole

33 Capitalization of expenditure

During the year, the Group has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	143.00	205.02
Share in salaries, wages and bonus of Joint Venture	-	57.01
Consumption of stores and spares	210.48	0.91
Others	3.94	105.32
Share in others of Joint Venture	-	19.13
	357.42	387.39

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

34 Contingent liabilities

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
Sales bills discounted	10,057.83	5,425.77
Of which:		
- Bills since realised	1,460.74	1,674.57
- Matured, overdue and outstanding since close of the period	-	-
Guarantees given by the Company on behalf of other companies:		
Balance Outstanding	2,273.45	1,915.40
(Maximum Amount)	(2,437.17)	(2,732.80)
Claims against the Companies not acknowledged as Debts - to the extent ascertained * #	174.08	138.97
Excise/Service tax demands - matters under dispute #	394.16	359.86
Entry Tax #	89.30	-
Sales tax demand matters under dispute #	14.05	-
Customs demands - matters under dispute #	50.97	50.97
Income tax matters under dispute #	55.58	0.66
Others	13.33	73.87

* The Claim against the Group comprise of dues in respect to personnel claims (amount unascertainable), local taxes etc.

The Group companies are contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised.

The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the group's financial position and results of operations.

One of the joint venture Company is defending Penalty Proceedings initiated under Sec.274 r.w.s 271(1) (C) of the Income Tax Act, 1961 for Assessment Year 2011-12 and liability of the same is not quantifiable.

The above numbers include share of Joint Venture.

Note : In cases where the amount have been accrued, it has not been included here.

35 Capital and other commitments

	In ₹ Million	
	As at March 31, 2015	As at March 31, 2014
(a) Guarantees given by holding Company's Bankers on behalf of the holding Company, against sanctioned letter of credit and guarantee limit of ₹ 4,000 Million (March 31, 2014: ₹ 4,000 Million) for contracts undertaken by the Company and other matters are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares etc., book debts, subject to prior charge in their favour.	958.50	718.18
(b) Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances.	5,788.28	2,149.27
Share in estimated value of contracts of Joint Venture remaining to be executed on capital accounts and not provided for, net of advances.	912.43	1,965.36
(c) For commitments relating to lease agreements. (Refer Note 30)		
	7,659.21	4,832.81

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

35 Capital and other commitments (Contd.)

Performance guarantee

The holding Company has alongwith ALSTOM Power Holdings S.A. given an irrecoverable and unconditional undertaking to NTPC Limited for technology transfer, training, execution and successful performance of steam turbines generator and auxiliary equipments supplied by ALSTOM Bharat Forge Power Limited, Joint Venture of the group.

The above numbers include share of Joint Venture.

The Company has provided the letter of support for certain subsidiaries.

36 Derivative instruments and unhedged foreign currency exposures

(i) Derivatives outstanding as at the reporting date

Nature of instrument	Currency	Purpose	As at March 31, 2015		As at March 31, 2014	
			Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Forward contracts	USD	Hedging of highly probable sales	567.10	35,438.08	328.32	19,672.93
Forward contracts	Euro	Hedging of highly probable sales	201.92	13,567.21	149.13	12,279.36

(ii) Share in Derivatives outstanding of Joint Ventures as at the reporting date

Nature of instrument	Currency	Purpose	As at March 31, 2015		As at March 31, 2014	
			Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Forward contracts	EURO	Hedge of payable/ expected future purchases	90.74	6,104.73	121.90	10,041.07
Forward contracts	CHF	Hedge of payable/ expected future purchases	0.48	31.12	0.39	26.65
Forward contracts	CNH	Hedge of payable/ expected future purchases	5.51	55.57	-	-
Forward contracts	USD	Hedge of payable/ expected future purchases	13.50	843.82	18.76	1,124.26
Forward contracts	JPY	Hedge of payable/ expected future purchases	165.77	86.48	-	-
Forward contracts	SEK	Hedge of payable/ expected future purchases	1.52	11.02	-	-
Forward contracts	EURO	Hedge of receivables/ expected future sales	90.45	6,084.96	110.52	9,100.42

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

36 Derivative instruments and unhedged foreign currency exposures (Contd.):

(ii) Share in Derivatives outstanding of Joint Ventures as at the reporting date (Contd.):

Nature of instrument	Currency	Purpose	As at March 31, 2015		As at March 31, 2014	
			Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Forward contracts	GBP	Hedge of receivables/ expected future sales	6.09	563.00	10.33	1,029.21
Forward contracts	USD	Hedge of receivables/ expected future sales	14.89	931.35	20.61	1,235.01
Forward contracts	JPY	Hedge of receivables/ expected future sales	150.11	78.31	-	-

(iii) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Export trade receivables	USD	32.14	2,005.63	17.12	1,029.57
	EUR	15.67	1,055.22	21.47	1,769.90
	GBP	0.61	56.02	2.94	292.44
	AUD	0.10	4.46	-	-
	JPY	-	-	3.24	1.89
Import trade payables	USD	1.41	148.70	3.08	184.62
	EUR	11.25	758.86	25.87	2,133.70
	GBP	0.11	9.73	0.01	1.00
	JPY	99.73	52.01	240.07	139.84
	SEK	0.04	0.29	0.09	0.83
	AUD	0.01	0.42	-	-
	CHF	-	0.15	-	-
Foreign currency term loan	USD	230.00	14,377.30	200.00	11,988.00
	EUR	1.89	127.66	4.00	330.31
Packing credit	USD	10.00	625.10	9.58	574.04
	EUR	-	-	4.67	384.34
	GBP	0.50	46.23	1.00	99.63
Working capital loan	EUR	17.67	1,193.12	12.00	990.92
	GBP	-	-	4.40	438.28

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

36 Derivative instruments and unhedged foreign currency exposures (Contd.):

(iii) Particulars of unhedged foreign currency exposure as at the reporting date (Contd.):

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency in Million	In ₹ Million	Foreign currency in Million	In ₹ Million
Bank deposits	USD	8.65	535.72	2.30	137.64
	EUR	2.17	145.56	2.90	239.20
	GBP	-	0.20	-	-
Other receivables	EUR	3.12	219.45	0.07	5.80
	SEK	1.83	13.21		
Other payables	USD	1.40	89.75	1.81	111.79
	EUR	1.76	118.90	1.32	108.62
	GBP	0.01	0.89	0.22	21.91

The above number include share of Joint Venture.

37 Deferral/Capitalisation of exchange differences

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/ earlier amendment to AS 11, the Group has capitalized exchange loss, arising on long-term foreign currency loan to the cost of plant and equipments. The Group also have other long-term foreign currency monetary item, where the gain/loss due to fluctuation in foreign currency is accounted for as FCMITDA and disclosed under reserves and surplus.

Accordingly foreign exchange gain/(loss) adjusted against:

	As at March 31, 2015	In ₹ Million As at March 31, 2014
Cost of the assets/Capital work in progress	(226.59)	(576.27)
FCMITDA	(248.16)	(692.09)
Amortised in the current year	253.33	185.55

38 (a) Exchange difference Gain/(Loss) on account of fluctuations in foreign currency rates

The net exchange differences [gain/(losses)] arising during the year on highly probable forecasted transaction relating to exports as a part of sales recognised in the consolidated statement of profit and loss account is ₹ 2,114.63 Million (March 31, 2014 ₹ (522.37) Million).

(b) Deferred payment liabilities

Sales tax deferral incentives attached to the erstwhile windmill division, which was demerged to BF Utilities Limited (BFUL) under Section 392 and 394 of the Companies Act, 1956 sanctioned by the High Court of the Judicature at Mumbai, have been passed on thereafter from year to year by the Company to the latter, under an arrangement, with all liabilities and obligations attached thereto taken over completely by BFUL. The net liability outstanding of BFUL after such pass on amounts to ₹ 615 Million (March 31, 2014: ₹ 708 Million).

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

39 Significant notes to financial statements of subsidiaries which provide a better understanding to these financial statements

A) Bharat Forge Scottish Stampings Limited (BFSSL)

As a part of group restructuring plan initiated in 2009, BFSSL has ceased production in February 2010 and transferred business and assets to other group companies. BFSSL got liquidated during the year and the order for liquidation is passed in June 2014.

B) Impact Automotive Solutions Limited (Impact)

On June 30, 2014, the Company has divested its 50% stake in Impact, a JV, which was formed in the year 2010 as a Joint Venture (JV). Impact financial statements included in the consolidated financial statements are unaudited and are based on management accounts as they are not material.

c) Merger of Kalyani ALSTOM Power Limited (Subsidiary) and ALSTOM Bharat Forge Power Limited (Joint Venture)

a) The Board of Directors of ALSTOM Bharat Forge Power Limited (ABFPL) on August 28, 2013 approved a Scheme of Amalgamation (Scheme) between ABFPL and Kalyani Alstom Power Limited (KAPL) being transferor company with an Appointed date of April 1, 2013 and the Shareholder of ABFPL also submitted their letter of consent for approving Scheme. The Scheme has been approved by Hon'ble High Court of Delhi vide its Order dated August 7, 2014, certified copy of which was received on September 24, 2014, filed with the Registrar of companies, NCT of Delhi and Haryana on dated October 14, 2014. Pursuant to the Scheme the transferor company i.e. KAPL amalgamated with ABFPL from the appointed date i.e. April 1, 2013 on going concern basis. As per the scheme during the period between appointed date and effective date, transferor company shall be deemed to have carried on the existing business on account of and for the benefit and in 'Trust' for the transferee company.

In accordance with the provision of the aforesaid scheme, business of the Transferor Company relating to design, engineering, manufacturing (including trading), erection & commissioning and post sales warranty obligations and service of ancillaries like heat exchanger and other auxiliaries, ancillary to the turbine generator (TG) island in the super critical (800/600 MW) and sub critical (600/500/300 MW) range had been transferred to ABFPL on going concern basis. The transfer of Assets and Liabilities had been effected from the Appointed date of April 1, 2013 as defined in the Scheme. As per the scheme during the period between appointed date and effective date, Transferor Company shall be deemed to have carried on the existing business on account of and for the benefit and in 'Trust' for the Transferee Company.

b. Combination of authorised capital

Pursuant to the aforesaid amalgamation, the authorised share capital of ABFPL stands increased by the authorized share capital of KAPL aggregating to ₹ 1,250.00 Million (125.00 Million equity shares of ₹ 10/- each). Accordingly, the authorised capital of ABFPL stands at ₹ 3,113.00 Million (311.30 Million equity shares of ₹ 10/- each).

c. Accounting treatment

ABFPL had followed accounting treatment prescribed in the said approved Scheme of Amalgamation, as follows:

i. The amalgamation of KAPL with ABFPL had been accounted by ABFPL by using the Pooling of interests method in accordance with the said approved Scheme of Amalgamation and Accounting Standard (AS) 14 - Accounting for Amalgamations' as notified under the Companies Act, 1956. Accordingly, ABFPL had recorded all the assets and liabilities, and reserves of KAPL at their respective book values as appearing in the books of KAPL as at March 31, 2013, the details of which are as follows:

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

Particulars	Kalyani Alstom Power Limited March 31, 2013
ASSETS	
Net Fixed Assets (including CWIP)	929.99
Long term Loans and Advances	207.57
Other Non-Current Assets	6.34
Current Assets:	
- Cash and bank balances	15.24
- Loans and Advances	6.72
- Other Current Assets	0.41
TOTAL	1,166.27
Deficit in Statement of Profit and loss	139.83
Total Assets	1,306.10
LIABILITIES	
Long-term Borrowings	6,473.00
Other Long-term Liabilities	24.69
Long-term provisions	0.19
Current Liabilities:	
- Short-term Borrowings	118.93
- Other Current Liabilities	12.54
- Short-term Provisions	2.45
TOTAL	6,631.80
- Excess of Assets over Liabilities and Share Capital to be issued	355.00
Share Capital	145.00
Total Liabilities	500.00

Further, the inter company balances and transactions between Transferor Company and the Transferee Company have been eliminated.

- d. Pursuant to scheme of amalgamation 14.50 Million Equity Shares of ₹ 10/- each were to be issued to shareholders of KAPL in the ratio of 29 fully paid Equity Shares of ABFPL for every 100 fully paid up Equity Shares of ₹ 10/- each held in ABFPL.
- e. Simultaneous with the issuance and allotment of shares in ABFPL to the shareholders of erstwhile KAPL, as mentioned in the above, ABFPL had undertaken preferential issuance and allotment of 600,000 equity shares of the face value of ₹ 10 each fully paid up to ALSTOM Power Holdings S.A. (596,000 equity shares of the face value of ₹ 10 each) and Bharat Forge Limited (4,000 equity shares of ₹ 10 each). The issue price had been determined in accordance with applicable laws.
- f. On account of amalgamation, the Group has lost control over KAIPPL and has derecognised the assets (including goodwill) and liabilities, carrying amount of minority interest and have recognised the fair value of the consideration received, the carrying value of investment retained. The resultant surplus on account of loss of control amounting to Rs 91 Million has been recognised in the consolidated financial statements during the year.
- h. In view of the aforesaid amalgamation, the figures of current year are not comparable to those of the previous year.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

D) ALSTOM Bharat Forge Power Ltd (ABFPL)

On December 28, 2011 a Public Interest Litigation (PIL) in the form of a Writ Petition was filed in the High Court of Gujarat at Ahmedabad, against 12 parties including Alstom Bharat Forge Power Limited (ABFPL). The grievances stated in the Writ Petition relate to environmental clearances for Adani Port and Special Economic Zone Ltd (APSEZ, previously known as Mundra Port and Special Economic Zone Ltd) and the Company's factory in Mundra under Environmental Impact Assessment Notification 2006 ('EIA Notification') read with provisions under Environment (Protection) Act, 1986. The matter was heard on 12th April, 2012 and on 9th May 2012 the Division Bench of the Hon'ble High Court of Gujarat pronounced the following judgment with respect to the issues under consideration:

1. The first issue related as to whether the company need individual environmental clearance under the EIA Notification considering their proposed activities. The Hon'ble High Court of Gujarat has answered this issue in favour of ABFPL confirming that the individual units do not require individual environmental clearance under the respective EIA Notification from MoEF.
2. The second issue related as to whether in the absence of Adani Port and Special Economic Zone Ltd (APSEZ) having environmental clearance the individual unit (ABFPL) falling under the APSEZ can continue with the construction activities. The Hon'ble High Court of Gujarat has answered this question in the negative and has directed the 12 parties (including the company) to immediately stop any/all construction activities on the land allotted to them until APSEZ obtains requisite environmental clearance. In compliance of the directions of the Hon'ble High Court of Gujarat, ABFPL has stopped work on their site at APSEZ.

The Hon'ble High Court of Gujarat passed judgment on January 13, 2014 in relation to Writ Petition No. 21 of 2013 (petition against 12 Further, the Hon'ble High Court of Gujarat passed another judgment on January 13th 2014 in relation to Writ Petition No. 21 of 2013 (petition against 12 parties operating in Mundra SEZ whereby the petitioners had sought directions from the court to immediately stop those 12 parties from any further development and business operations) and Special Civil Application No. 2621 of 2013 (Deemed EC application filed by ABFPL) and ordered the said 12 parties to stop the operation of activities immediately, and ordered that these parties cannot undertake any further development or business activity till the decision is taken by the Central Government and also rejected ABFPL's application with a direction to the Central Government to take its decision, with respect to the issue of grant of environmental clearance, within 30 days from the date of judgment without fail. The Hon'ble High Court of Gujarat has also stated that while taking into consideration the issue of grant of environmental clearance, it would be open to the Central Government to even take into consideration the Sunita Narain Committee report. The Central Government has asked for the extension for the same.

Pursuant to the aforesaid orders certain parties filed appeal in the Supreme Court against this judgment of Gujarat High Court. Hon'ble Supreme Court issued notice and directed that in the meantime, units in SEZ in respect of which impugned order has been passed may continue to function but there will be no further construction with regard to any units which are existing or incumbent. Respondents have been directed to file affidavits in respect of existing units. The Hon'ble Supreme Court further made it clear that the direction to MoEF to complete the process of environment clearance has not been stayed. The MoEF has sought time to file its reply on the same. It was further recorded that it is the case of the petitioners that no further clearance is required.

3. In addition to the above, local villagers have filed a PIL (WP PIL 204 of 2012) in the Gujarat High Court alleging that the Company has blocked a natural waterway. The matter is pending before the court.

On October 25, 2011 the Company had already received confirmation from the Ministry of Environment & Forests that its activities in Mundra do not attract the provisions of EIA Notification of 2006.

During the year, Government of India, Ministry of Environment & Forests ('MOEF') vide F. No. 10-138/2008- IA.III dated July 15, 2014 issued the Environment Clearance ('EC') for proposed Multi-Product SEZ and CRZ clearance for Desalination, sea water intake, outfall facility and pipeline, at Mundra by MIs Adani Port and SEZ Ltd. ('APSEZ').

All environmental issues have been resolved for the said location and the site is now ready for use. As positive trends are emerging in the economy with regards to power equipment, the Company is evaluating several plans to use this facility in the near future.

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

E) ALSTOM Bharat Forge Power Limited (ABFPL)

- The Board of Director in their meeting held on March 28, 2015 have approved the conversion of ABFPL from a Public Limited Company to Private Limited Company. ABFPL is in the process of completion of all related formalities, in its ensuing extra ordinary general meeting. Thereafter, all relevant document will be filed with Registrar of the Companies.
- Balances of certain trade receivables, loans and advances, trade payables and non-trade payables for contractual obligations are in the process of confirmation/reconciliation. Management is of the opinion that on completion of reconciliation/confirmation, the impact, will not be material.

40 Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts

	In ₹ Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Contract revenue recognised during the period	5,734.27	7,791.73
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	5,729.48	6,267.84
Amount of customer advances outstanding for contracts in progress up to the reporting date#	1,817.69	2,713.72
Retention amount due from customers for contract in progress up to the reporting date	721.30	489.49
Due from customers @	4.07	409.72
Due to customers#	1,624.68	2,677.99

Aggregate of customer advances outstanding and due to customers is included in advance from customer to the extent of ₹ 14.90 Million, in construction contracts in progress to the extent of ₹ 1,603.95 Million and in trade payable to the extent of ₹ 1,823.09 Million.

@ Included in trade receivable.

The above numbers include share of Joint Venture.

41 Discontinuing operations

Bharat Forge America Inc.

In November 2012, the management of Bharat Forge America Inc. (BFA), a wholly owned subsidiary of the Company in USA decided to close down manufacturing operations of BFA. Business of BFA was transferred to other Group Companies and fixed assets of BFA were sold to a forging Company in US on May 2, 2013.

At December 31, 2014, the carrying amount of assets of BFA was ₹ 31.48 Million (December 31, 2013: ₹ 104.84 Million) and its liabilities were ₹ 99.21 Million (December 31, 2013: ₹ 36.08 Million).

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

41 Discontinuing operations (Contd.)

The following statement shows the revenue and expenses of discontinuing operations:

	In ₹ Million	
	Year ended December 31, 2014	Year ended December 31, 2013
Income		
Revenue from operations (gross)	59.22	149.46
Other income	4.57	42.90
Total income	63.79	192.36
Expenses		
Cost of raw material and components consumed	0.90	7.03
(Increase)/ decrease in inventories of finished goods and work-in-progress	57.99	109.62
Employee benefits expense	20.34	72.97
Other expenses	15.47	75.03
Depreciation and amortization expenses	0.36	0.34
Finance costs	-	13.60
Total expenses	95.06	278.59
(Loss) before tax	(31.27)	(86.23)
Tax expenses	(0.27)	2.81
(Loss) for the year	(31.00)	(89.04)

The carrying amounts of the total assets and liabilities relating to discontinuing operations included within the Group is as follows :

	In ₹ Million	
	Year ended December 31, 2014	Year ended December 31, 2013
Total assets	31.84	104.84
Total liabilities	99.21	36.08
Net assets	(67.73)	68.76

The net cash flows attributable to BFA are as below:

	In ₹ Million	
	Year ended December 31, 2014	Year ended December 31, 2013
Operating activities	(1.50)	(182.04)
Investing activities	-	622.81
Financing activities	(12.21)	(499.11)
Net cash inflows / (outflows)	(13.71)	(58.34)

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

41 Discontinuing operations (Contd.)

Impact Automotive Solutions Limited

During the year, the Company divested its 50% stake in Impact Automotive Solutions Limited to its Joint Venture partner, KPIT Cummins Limited, for ₹ 107.84 Million. The transaction was completed on June 30, 2014. Profit pre tax amounting to ₹ 40.95 Million (Tax effect: ₹ Nil), on divestment of stake has been recorded as an exceptional item.

The following statement shows the revenue and expenses of discontinuing operations:

	In ₹ Million	
	Period ended June 30, 2014	Year ended March 31, 2014
Income		
Revenue from operations (gross)	0.17	2.77
Other income	0.65	2.15
Total income	0.82	4.92
Expenses		
Cost of raw material and components consumed	1.87	3.43
(Increase)/decrease in inventories of finished goods and work-in-progress	-	(0.01)
Employee benefits expense	2.09	5.59
Other expenses	4.36	23.87
Depreciation and amortization expenses	1.86	7.19
Finance costs	-	-
Total expenses	10.18	40.07
(Loss) before tax	(9.36)	(35.15)
Tax expenses	-	0.09
(Loss) for the year	(9.36)	(35.24)

The carrying amounts of the total assets and liabilities relating to discontinuing operations included within the Group is as follows :

	In ₹ Million	
	Period ended June 30, 2014	Year ended March 31, 2014
Total assets	-	105.08
Total liabilities	-	28.83
Net assets	-	76.25

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

41 Discontinuing operations (Contd.)

The net cash flows attributable to Impact Automotive Solutions Private Limited are as below:

	In ₹ Million
	Year ended March 31, 2014
	Period ended June 30, 2014
Operating activities	(27.35)
Investing activities	(1.67)
Financing activities	-
Net cash inflows / (outflows)	(29.02)

FAW Bharat Forge (Changchun) Company Limited

During the previous year, Bharat Forge Hong Kong Limited, one of the indirect subsidiary in the group, divested its 51.85% stake in Chinese Joint Venture operation (FAW Bharat Forge (Changchun) Company Limited to its Joint Venture partner, China FAW Corporation Limited, for USD 28.208 Million (₹ 1,793.84 Million). The transaction was completed on November 12, 2013 with effect from October 31, 2013. Profit (including reversal of foreign currency translation reserve) pre tax amounting to ₹ 605.44 Million (Tax effect: ₹ Nil), on divestment of stake has been recorded as an exceptional item.

The following statement shows the revenue and expenses of discontinuing operations:

	In ₹ Million
	Year ended December 31, 2014
	Period ended October 31, 2013
Income	
Revenue from operations (gross)	-
Other income	-
Total income	5,657.88
Expenses	
Cost of raw material and components consumed	-
(Increase)/ decrease in inventories of finished goods and work-in-progress	-
Employee benefits expense	-
Other expenses	-
Depreciation and amortization expenses	-
Finance costs	-
Total expenses	5,930.91
(Loss) before tax	(273.03)
Tax expenses	-
(Loss) for the year	(273.03)
Minority interest	-
(Loss) for the year after Minority Interest	(141.17)
Total assets	-
Total liabilities	-
Net assets	-

Notes to consolidated financial statements for the year ended March 31, 2015 (Contd.):

41 Discontinuing operations (Contd.)

The carrying amounts of the total assets and liabilities relating to discontinuing operations included within the Group is as follows :

The net cash flows attributable to FAW Bharat Forge (Changchun) Company Limited are as below:

	Year ended December 31, 2014	In ₹ Million Period ended October 31, 2013
Operating activities	-	101.94
Investing activities	-	(418.53)
Financing activities	-	438.98
Net cash inflows / (outflows)	-	122.39

42 Expenditure on research and development

	Year ended March 31, 2015	In ₹ Million Year ended March 31, 2014
A. On revenue account		
Manufacturing expenses:		
Materials	15.45	18.49
Stores, spares and tools consumed	33.96	37.60
Repairs and maintenance		
- Machinery repairs	8.52	4.17
Payments to and provision for employees:		
- Salaries, wages, bonus, allowances, Contribution to provident and other funds and schemes etc.	190.75	141.02
Other expenses :		
Legal and professional charges	1.02	4.68
Membership fees	0.75	0.75
EDP expenses	25.96	18.72
Other expenses	21.32	20.30
TOTAL	297.73	245.73
B. On capital account		
Total research and development expenditure	(A+B) 435.01	272.44

43 The financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.

44 Previous year figures have been regrouped / reclassified, where necessary, to confirm to the current year's classification.

For S R B C & Co. LLP
ICAI Firm registration No. 324982E
Chartered Accountants

For and on behalf of the Board of Directors

per ARVIND SETHI
Partner
Membership No. 89802

B. N. KALYANI
Chairman and Managing Director

G. K. AGARWAL
Deputy Managing Director

Place: Pune
Date: May 20, 2015

KISHORE SALETORE
Executive Director & CFO

ANAND DAGA
Company Secretary

Annex - 1

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

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	Proposed Dividend	% of Holding
1	CDP Bharat Forge GmbH	Jan 14 to Dec 14	EUR	77.00	385.02	6,999.46	11,254.48	3,870.00	0.34	13,109.04	390.72	99.83	290.89	-	100%
2	Bharat Forge Holding GmbH	Jan 14 to Dec 14	EUR	77.00	1.93	448.58	793.03	342.52	-	2.87	27.88	7.94	19.95	-	100%
3	Bharat Forge Aluminiumtechnik GmbH & Co. KG	Jan 14 to Dec 14	EUR	77.00	641.11	517.92	4,502.72	3,343.70	-	3,465.81	42.06	9.27	32.78	-	100%
4	Bharat Forge Aluminiumtechnik Verwaltungs GmbH & Co. KG	Jan 14 to Dec 14	EUR	77.00	1.97	4.17	6.14	0.00	-	0.44	0.40	0.06	0.33	-	100%
5	Bharat Forge America Inc.	Jan 14 to Dec 14	USD	63.33	-	(67.37)	31.85	99.21	-	61.72	(32.45)	(0.28)	(32.16)	-	100%
6	Bharat Forge Beteteiligungs GmbH	Jan 14 to Dec 14	EUR	77.00	1.93	1,842.04	2,108.36	264.40	0.00	13.27	(59.04)	11.70	(70.74)	-	100%
7	Bharat Forge Kilista AB	Jan 14 to Dec 14	SEK	8.08	161.67	209.37	3,254.63	2,883.59	-	6,045.74	(360.35)	62.11	(422.46)	-	100%
9	Bharat Forge Hongkong Ltd	Jan 14 to Dec 14	USD	63.33	1,121.13	(1,107.28)	14.69	0.85	-	0.01	(26.45)	0.83	(27.27)	-	100%
10	Bharat Forge Daun GmbH	Jan 14 to Dec 14	EUR	77.00	3.85	272.39	395.22	118.99	-	894.74	-	-	-	-	100%
11	B F New Technologies GmbH	Jan 14 to Dec 14	EUR	77.00	1.93	119.36	132.24	10.96	-	0.71	-	-	-	-	100%
12	BF NTPC Energy Systems Ltd.	Apr 14 to Mar 15	INR	1.00	120.00	(69.77)	59.94	9.71	-	-	(2.95)	-	(2.95)	-	51%
13	B F Infrastructure Limited	Apr 14 to Mar 15	INR	1.00	416.06	(226.58)	664.34	474.86	-	391.98	0.54	-	0.54	-	100%
14	B F Infrastructure Ventures Limited	Apr 14 to Mar 15	INR	1.00	400.50	(4.17)	457.15	60.82	-	-	(0.05)	-	(0.05)	-	100%
15	Kalyani Strategic Systems Limited (Formerly B F Power Equipments Limited)	Apr 14 to Mar 15	INR	1.00	0.50	(0.75)	0.01	0.26	-	-	0.04	-	0.04	-	100%
16	Bharat Forge International Limited	Apr 14 to Mar 15	USD	63.33	6.64	276.17	5,067.72	4,784.92	-	10,869.63	161.88	34.72	127.16	-	100%
17	BF Elbit Advanced Systems Private Limited	Apr 14 to Mar 15	INR	1.00	0.14	(46.88)	18.10	64.84	-	-	(3.70)	0.00	(3.70)	-	100%
18	Analogic Controls India Limited	Apr 14 to Mar 15	INR	1.00	27.59	(140.49)	214.98	327.88	-	34.16	(70.56)	0.16	(70.72)	-	60%
19	Mecanique Generale Langroise*	Jan 14 to Dec 14	EUR	77.00	46.20	251.23	536.02	238.59	-	-	-	-	-	-	100%
20	Kalyani Polytechnic Private Limited (Section 8 Company-not considered for consolidation)	Apr 14 to Mar 15	INR	1.00	0.50	(0.11)	0.41	0.02	-	-	(0.02)	-	(0.02)	-	100%

*The Company through its German Subsidiary - CDP Bharat Forge GmbH has acquired 100% equity shares of Mecanique Generale Langroise (MGL) in December 17, 2014. While preparing the consolidated financial statement, the statement of profit & loss of Mecanique Generale Langroise (MGL) is not considered as there is no profit/loss, post acquisition until December 31, 2014.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

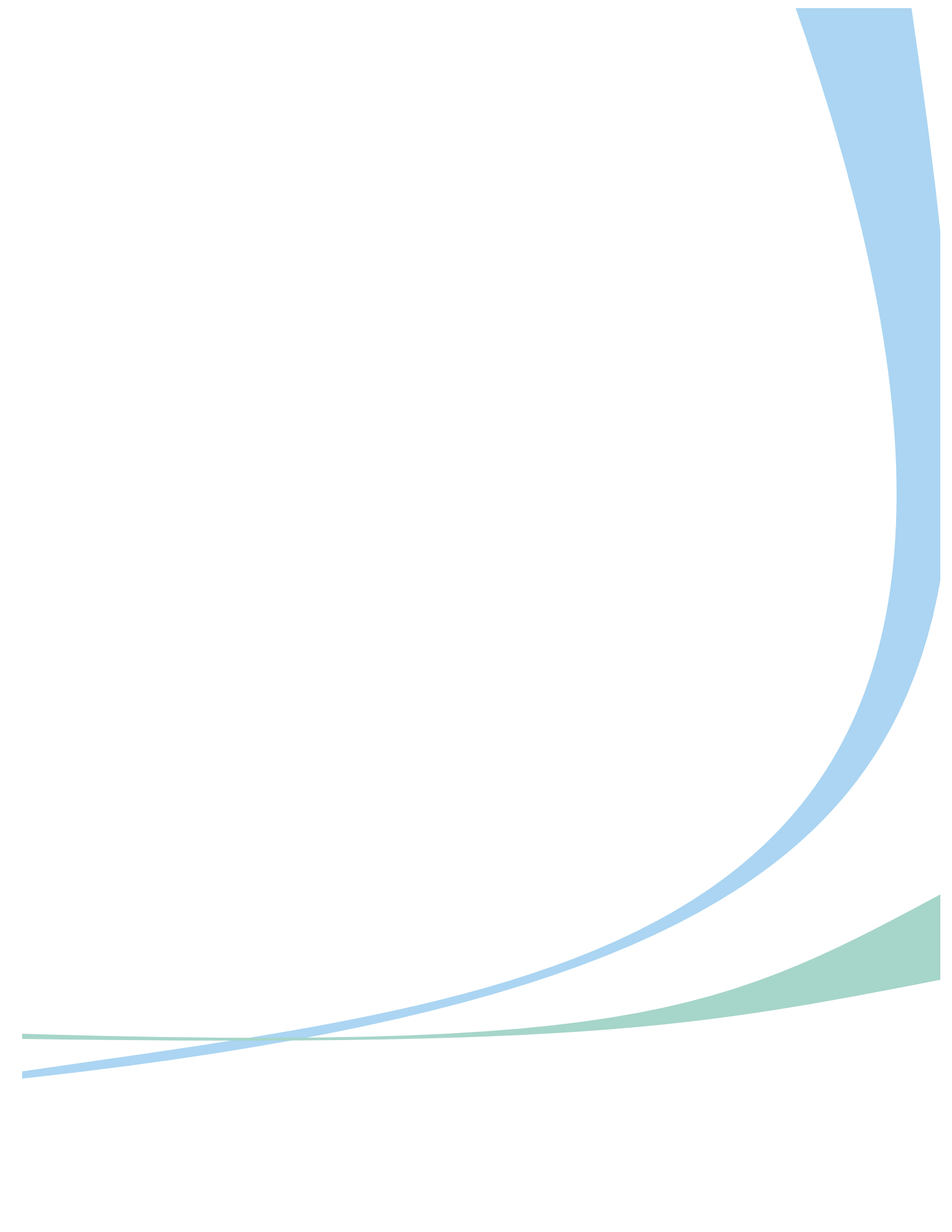
In ₹ Million

S. N.	Name of Associates/Joint Ventures	ALSTOM Bharat Forge Power Limited	David Brown Bharat Forge Gear Systems India Limited	BFIL-CEC JV	Tecnica UK Limited	Ferrovia Transrail Solutions Private Limited	Talbahh GmbH
1	Latest audited Balance Sheet Date	March 31, 2015	March 31, 2015	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
2	Shares of Associate/Joint Ventures held						
	by the company on the year end						
i	Nos.	151.83	4.34				
ii	Amount of Investment in Associates/Joint Venture	1,518.27	43.40				
ii	Extend of Holding %	49%	50%	74%	30%	49%	35%
3	Description of how there is significant influence	Note-A	Note-A	Note-A	Note-A	Note-A	Note-A
4	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Note-B	Note-B	Note-B
5	Networth attributable to Shareholding as per						
	latest audited Balance Sheet	1,631.14	33.62	0.01	0.88	-	1.12
6	Profit / Loss for the year						
i	Considered in Consolidation	5,427.58	0.37	0.02	-	-	-
ii	Not Considered in Consolidation	5,649.12	0.37	0.01	5.30 (FY 2013)	-	2.13 (FY 2013)

Note:

A. There is significant influence due to percentage(%) of Share Capital.

B. Based on materiality or where control is intended to be temporary.



BHARAT FORGE



BHARAT FORGE LIMITED

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KALYANI

NOTICE

NOTICE is hereby given that the Fifty-fourth Annual General Meeting (AGM) of the Members of **Bharat Forge Limited** will be held on Monday, August 3, 2015 at 10:30 a.m. (I.S.T.) at the Registered Office of the Company at Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the audited financial statement of the Company for the Financial Year ended March 31, 2015 and the reports of the Board of Directors and Auditors thereon; and
 - b. the audited consolidated financial statement of the Company for the Financial Year ended March 31, 2015.
2. To confirm the payment of an interim dividend and to declare a final dividend on Equity Shares for the Financial Year 2014-15.
3. To appoint a Director in the place of **Mr. S. E. Tandale** (DIN: 00266833), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of **Mr. G. K. Agarwal** (DIN: 00037678), who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on September 4, 2014, the appointment of M/s. S R B C & Co LLP [Firm Registration No. 324982E] as Statutory Auditors of the Company, has been made to hold the office till the conclusion of fifty-sixth (56th) Annual General Meeting (AGM) of the Company to be held in the year 2017, be and is hereby ratified for the financial year 2015-16 at such remuneration plus Service Tax at the applicable rates and reimbursement of out of pocket and travelling expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee."

SPECIAL BUSINESS:

6. Appointment of Mr. K. M. Saletore as a Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT **Mr. K. M. Saletore** [DIN: 01705850], who was appointed as an Additional Director of the Company with effect from February 2, 2015 by the Board of Directors and who holds the office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act), who is eligible for appointment and in respect of whom, the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. Appointment of Mr. K. M. Saletore as Executive Director and Chief Financial Officer of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all applicable provisions of the Companies Act, 2013 read with the Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of **Mr. K. M. Saletore** [DIN: 01705850] as Executive Director and Chief Financial Officer of the Company for a period of five (5) years with effect from February 2, 2015 upto February 1, 2020, liable to retire by rotation, on the following terms and conditions including remuneration:

I. SALARY:

A salary of ₹ 7,59,500/- (Rupees Seven Lacs Fifty Nine Thousand Five Hundred Only) per month in the grade of ₹ 7,00,000/- (Rupees Seven Lacs Only) to ₹ 20,00,000/- (Rupees Twenty Lacs Only).

The Board is authorised to determine the salary and grant such increases in salary and/or allowances by whatever name called from time-to-time within the aforesaid limit.

II. COMMISSION:

Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Sections 197 and 198 of the Companies Act, 2013.

III. PERQUISITES:

Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

CATEGORY 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

a. Housing I:

The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:

Sixty percent (60%) of the salary over and above ten percent (10%) payable by the Executive Director and Chief Financial Officer.

Housing II:

In case the accommodation is owned by the Company, ten percent (10%) of the salary of the Executive Director and Chief Financial Officer shall be deducted by the Company.

Housing III:

In case no accommodation is provided by the Company, the Executive Director and Chief Financial Officer shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent (10%) of the salary of the Executive Director and Chief Financial Officer.

b. Medical reimbursement:

As per the rules of the Company.

c. Leave travel concession:

For the Executive Director and Chief Financial Officer and his family in accordance with the rules of the Company.

d. Club fees:

Fees of clubs subject to a maximum of two (2) clubs. This will not include admission and life membership fees.

e. Personal accident insurance:

As per the rules of the Company.

Explanation:

For the purpose of Category 'A', 'family' means the spouse, dependent children and dependent parents of the Executive Director and Chief Financial Officer.

CATEGORY 'B'

a. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

b. Gratuity to be paid as per rules of the Company.

c. Encashment of leave at the end of the tenure.

d. Retirement and other benefits as per rules of the Company.

CATEGORY 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director and Chief Financial Officer.

Notwithstanding anything mentioned herein, where in any Financial Year during the currency of tenure of the Executive Director and Chief Financial Officer, the Company has no profits or its profit are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation from the Nomination & Remuneration Committee of the Board, be and is

hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to **Mr. K. M. Saletore**, as may be permissible under Schedule V to the Companies Act, 2013 (as may be amended from time to time) or by way of any government guidelines or instructions, the intention being that no further approval of the Company would be required so long as remuneration of the Executive Director and Chief Financial Officer is not in excess of the maximum permissible under the relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To approve the remuneration of the Cost Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 9,00,000/- (Rupees Nine Lacs only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No. 00030) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Adoption of new set of Articles of Association of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the

Members be and is hereby granted for the deletion of all the Articles of the existing Articles of Association of the Company and substitute the same with the new set of Articles of Association and the said new set of Articles of Association be and are hereby adopted as the Articles of Association of the Company in substitution for and to exclusion of all existing Articles thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For Bharat Forge Limited

Anand Daga
Vice President (Legal)
& Company Secretary

Pune: May 20, 2015

Registered Office:
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India
CIN: L25209PN1961PLC012046

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business under item Nos. 6 to 9 of the notice is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than forty eight (48) hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority as applicable. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. In case, a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
4. Corporate Members are requested to send board resolution duly certified, authorising their representative to attend and vote on their behalf at the AGM.

5. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 25. The Company will also send communication relating to remote e-voting which *inter-alia* would contain details about User ID and Password along with a copy of this Notice to the Members, separately.
6. The Company's Share Transfer Books and the Register of Members will remain closed from Wednesday, July 22, 2015 to Monday, August 3, 2015 (both days inclusive) for determining the names of the Members eligible for final dividend on equity shares, if declared at the meeting.
7. The final dividend on Equity Shares, if declared at the meeting, shall be paid/credited on and before August 21, 2015 to those Members:
 - i. whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company before the closing hours on Tuesday, July 21, 2015; and
 - ii. whose names appear as beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the end of the day on Tuesday, July 21, 2015.
8. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depositories Participants and those holding shares in physical form are requested to intimate the above mentioned changes to the Secretarial Department at the Registered Office of the Company.
9. Equity Shares of the Company are under compulsory demat trading by all investors. Those Members who have not dematerialised their shareholding are advised to dematerialise their shareholding to avoid any inconvenience in future.
10. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the Attendance Slip for attending the meeting to facilitate identification of Membership at the meeting.
11. Members are requested to bring their Attendance Slip along with the copy of Annual Report to the Meeting.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members of the Company will be entitled to vote.
13. In terms of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Mr. S. E. Tandale and Mr. G. K. Agarwal, Directors of the Company are liable to retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
14. Executive Director - Mr. S. E. Tandale is not holding any shares of the Company. However, Deputy Managing Director - Mr. G. K. Agarwal is holding 2,455 equity shares of ₹ 2/- each of the Company.
15. Brief Profile of Directors proposed to be appointed/re-appointed, names of Companies in which they hold Directorships and Memberships/Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Report on Corporate Governance forming part of the Annual Report.
16. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturday upto the date of the AGM.
17. Those Members who have not encashed/received their Dividend Warrant for the previous year(s), may approach the Secretarial Department at the Registered Office of the Company for claiming unpaid/unclaimed dividend.
18. Dividends which remain unclaimed/unencashed for a period of seven (7) years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under the provisions of Sections 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the Members shall lie for the unclaimed Dividend once the same is transferred to IEPF.
19. On July 27, 2005 the Company had sub-divided its Equity Shares of the Face Value of ₹ 10/- each into Equity Shares of the Face Value of ₹ 2/- each. Accordingly, the Members were requested to surrender their old Share Certificate(s) of the face value of ₹ 10/- each and obtain from the Company the new Share Certificate(s) of the face value of ₹ 2/- each. Those Members who have still not obtained the new Share Certificate(s) of the face value of ₹ 2/- each are

requested to approach the Secretarial Department at the Registered Office of the Company and exchange their old Share Certificate(s) with the new one.

20. Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:

- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.

21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

22. Members, who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company for consolidation into a single folio.

23. Green initiative in Corporate Governance:

The Ministry of Corporate Affairs has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses so far, including change, if any, are requested to register their e-mail addresses, immediately - in respect of electronic holdings with the Depository through their concerned Depository Participants and Members who hold shares in physical form with the Company at secretarial@bharatforge.com or at its Registered Office at Secretarial Department, Mundhwa, Pune Cantonment, Pune - 411 036 Maharashtra, India.

24. The Notice of the AGM along with the annual report for the year 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for the physical copy of the same.

25. Voting through electronic means:

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per Clause 35B of the Listing

Agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. In order to enable the Members, who do not have the access to remote e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given herein below. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed, as if, they have been passed at the AGM.

b. Mr. S. V. Deulkar, Partner of M/s. SVD & Associates, Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

c. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting or by Ballot Form shall be able to exercise their right at the meeting through ballot paper.

d. The Members who have cast their vote by remote e-voting or by Ballot Form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

e. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

f. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to secretarial@bharatforge.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, Mr. S. V. Deulkar, Partner of M/s. SVD & Associates, Company Secretaries at 4th Floor, Vedwati Apartments, Shivaji Nagar, Pune - 411 005, Maharashtra, India not later than Sunday, August 2, 2015 (5:00 p.m.). Ballot Form received after this date will be treated as invalid.

g. The remote e-voting period commences on July 31, 2015 (9:00 a.m.) and ends on August 2, 2015 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July

27, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

h. The process and manner for remote e-voting are as under:

i. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :

i. Open email and open PDF file viz; "BFL-Remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.

iii. Click on Shareholder – Login.

iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

v. Password change menu will appear. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii. Select "EVEN" of "BHARAT FORGE LIMITED" which is 102071.

viii. Now you are ready for remote e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to deulkarcs@gmail.com with a copy marked to evoting@nsdl.co.in.

II. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting for physical copy]:

i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN
102071		

ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

j. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.

k. You can also update your mobile number and e-mail id in the user profile, which may be used for sending future communication(s).

l. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 27, 2015.

m. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 27, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote, e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- n. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. July 27, 2015 only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form as well as voting at the AGM through ballot paper.
- o. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- p. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- q. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.bharatforge.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required by Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 6 to 9 in the accompanying Notice:

ITEM NOS. 6 & 7:

The Board of Directors, at its meeting held on February 2, 2015, appointed Mr. K. M. Saletore as an Additional Director of the Company with effect from February 2, 2015, pursuant to Section 161 of the Companies Act, 2013 (the Act), read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Act, Mr. K. M. Saletore will hold office up to the date of the ensuing AGM. The

Company has received a notice in writing under the provisions of the Section 160 of the Act, from a Member, along with a deposit of ₹ 1,00,000/- (Rupees One Lac only) proposing candidature of Mr. K. M. Saletore for the office of Executive Director and Chief Financial Officer of the Company, to be appointed as such under the provisions of Section 149 of the Act. The Board also appointed Mr. K. M. Saletore as the Executive Director and Chief Financial Officer of the Company for the period from February 2, 2015 to February 1, 2020, on the terms of remuneration as detailed in the respective Resolution No.7, subject to approval of the Members.

Mr. K. M. Saletore joined Bharat Forge Limited on November 18, 2011 as Group Chief Financial Officer and appointed as a Chief Financial Officer of the Company with effect from August 1, 2014. Brief Profile along with other details of Mr. K. M. Saletore is provided in the Report on Corporate Governance forming part of the Annual Report.

The Directors are of the view that the appointment of Mr. K. M. Saletore as Executive Director and Chief Financial Officer will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly recommend the Ordinary Resolutions as set out in Item Nos. 6 & 7 of the Notice for approval by the Members of the Company.

Other than Mr. K. M. Saletore, none of the Directors/Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolutions at item Nos. 6 & 7 of the Notice. Mr. K. M. Saletore does not hold any shares of the Company.

Mr. K. M. Saletore is not related to any other Director of the Company.

ITEM NO. 8:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors – M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016 at remuneration of ₹ 9,00,000/- (Rupees Nine Lacs only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2016.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 9:

The existing Articles of Association (Articles) of the Company are based on the erstwhile Companies Act, 1956 and several regulations in the existing Articles contain reference to the specific Sections of the erstwhile Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 (the Act).

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles by adopting a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days

between 11.00 a.m. to 1.00 p.m. excluding Saturday upto the date of this Annual General Meeting.

The Board of Directors recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in this resolution.

By Order of the Board of Directors
For Bharat Forge Limited

Anand Daga
Vice President (Legal)
& Company Secretary

Pune: May 20, 2015
Registered Office:
Mundhwa, Pune Cantonment,
Pune 411 036, Maharashtra, India
CIN: L25209PN1961PLC012046



KALYANI

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BALLOT FORM

(In lieu of E-voting)

BHARAT FORGE LIMITED

CIN: L25209PN1961PLC012046

Registered Office: Mundhwa, Pune Cantonment, Pune - 411 036

Phone: +91 20 6704 2777/2476 Fax: +91 20 2682 2163 Email: secretarial@bharatforge.com Website: www.bharatforge.com

Sr. No. :

1. Name :
Registered Address of the sole/first named Shareholder :
2. Name(s) of the Joint Shareholder(s), if any :
3. Registered Folio No./DPID & Client ID No. :
4. No. of Shares held :

I/We, hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of **54th Annual General Meeting** of the Company to be held on Monday, August 3, 2015, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item No.	Description	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
ORDINARY BUSINESS:				
1	To consider and adopt: a. Audited financial statement for the year ended March 31, 2015 and the reports of the Board of Directors and Auditors thereon; and b. Audited consolidated financial statement for the year ended March 31, 2015.			
2	Confirm the payment of an interim dividend and declare a final dividend on Equity Shares.			
3	Re-appointment of Mr. S. E. Tandale (DIN: 00266833) as a Director, who retires by rotation.			
4	Re-appointment of Mr. G. K. Agarwal (DIN: 00037678) as a Director, who retires by rotation.			
5	Appointment of M/s. S R B C & Co LLP as Statutory Auditors of the Company.			
SPECIAL BUSINESS:				
6	Appointment of Mr. K. M. Saletore (DIN: 01705850) as a Director.			
7	Appointment of Mr. K. M. Saletore (DIN: 01705850) as Executive Director and Chief Financial Officer of the Company.			
8	Approve the remuneration of the Cost Auditors.			
9	Adoption of new set of Articles of Association of the Company.			

Place : _____

Date : _____

Signature of the Member

Note: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 5.00 p.m. on August 2, 2015 shall only be considered.

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. S. V. Deulkar, Partner of M/s. SVD & Associates, Company Secretaries at 4th Floor, Vedwati Apartments, Shivaji Nagar, Pune – 411 005 so as to reach by 5.00 p.m. on August 2, 2015. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. A Member can opt for only one mode of voting i.e. either through e-voting or by the Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and the Ballot Form shall be treated as invalid.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of Members holding shares in physical form is verified as per the records of the of the Company. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/ DP ID Client ID irrespective of the number of joint holders.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholder. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc., a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on July 27, 2015.
11. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.



KALYANI

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PROXY FORM

BHARAT FORGE LIMITED

CIN: L25209PN1961PLC012046

Registered Office: Mundhwa, Pune Cantonment, Pune – 411 036

Phone: +91 20 6704 2777/2476 Fax: +91 20 2682 2163 Email: secretarial@bharatforge.com Website: www.bharatforge.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :	
Registered Address :	
E-mail Id :	
Folio No. :	
Client Id :	DP ID :

I/We, being the Member(s) of..... Shares of Bharat Forge Limited, hereby appoint:

- Name :
Address :
Email id :Signature: or failing him
- Name :
Address :
Email id :Signature: or failing him
- Name :
Address :
Email id :Signature:..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **54th Annual General Meeting** of the Company, to be held on Monday, August 3, 2015 at 10:30 a.m. (I.S.T.) at the Registered Office of the Company at Mundhwa, Pune Cantonment, Pune – 411 036, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	Vote (Optional-see Note 4)	
		For	Against
ORDINARY BUSINESS:			
1.	To consider and adopt: a. Audited financial statement for the year ended March 31, 2015 and the reports of the Board of Directors and Auditors thereon; and b. Audited consolidated financial statement for the year ended March 31, 2015.		
2.	Confirm the payment of an interim dividend and to declare a final dividend on Equity Shares.		
3.	Re-appointment of Mr. S. E. Tandale (DIN: 00266833) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Re-appointment of Mr. G. K. Agarwal (DIN: 00037678) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Appointment of M/s. S R B C & Co LLP as Statutory Auditors of the Company.		
SPECIAL BUSINESS:			
6.	Appointment of Mr. K. M. Saletore (DIN: 01705850) as a Director.		
7.	Appointment of Mr. K. M. Saletore (DIN: 01705850) as Executive Director and Chief Financial Officer of the Company.		
8.	Approve the remuneration of the Cost Auditors.		
9.	Adoption of new set of Articles of Association of the Company.		

Signed this.....day of....., 2015

Signature of the Member(s)

Please affix
Revenue
Stamp

Signature of the Proxy holder(s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- A Proxy need not be a Member of the Company.
- A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- It is optional to indicate your preferences. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.



KALYANI

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ATTENDANCE SLIP

BHARAT FORGE LIMITED

CIN: L25209PN1961PLC012046

Registered Office: Mundhwa, Pune Cantonment, Pune – 411 036

Phone: +91 20 6704 2777/2476 Fax: +91 20 2682 2163

Email: secretarial@bharatforge.com Website: www.bharatforge.com

NAME AND ADDRESS OF THE MEMBER/PROXY*			
DPID/CLIENT ID**		NO. OF SHARES HELD	
FOLIO NO.			

I hereby record my presence at the **54th ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company at Mundhwa, Pune Cantonment, Pune – 411 036 , Maharashtra, India on Monday, August 3, 2015 at 10:30 a.m. (I.S.T.)

SIGNATURE OF THE MEMBER/PROXY*

--

* Strike out whichever is not applicable.

** Applicable for Members holding shares in Dematerialised form.

Note: Please handover this slip at the entrance of the Meeting Venue.

E-VOTING

users who wish to opt for e-voting may use the following login credentials.

EVEN (Remote E Voting Event No.)	user ID	PASSWORD
102071		

Please follow steps for e-voting procedure as given in the Notice of AGM