

BHARAT FORGE

July 15, 2025

To

BSE Limited

Corporate Relations Department

Phiroze Jeejeebhoy Towers

Dalal Street, Fort, Mumbai 400 001

Maharashtra, India

National Stock Exchange of India Limited

Listing Department

Exchange Plaza, Plot No. C/1, G Block

Bandra Kurla Complex, Bandra (East)

Mumbai 400 051, Maharashtra, India

Scrip Code: 500493

Symbol: BHARATFORG

Sub.: Notice of 64th Annual General Meeting (AGM) and Integrated Annual Report for Financial Year 2024-25

Ref.: Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulations 30, 34(1) and 53 of the Listing Regulations, we are enclosing herewith the Notice convening the 64th AGM and the Integrated Annual Report of the Company for the Financial Year 2024-25, which is being sent through electronic mode to those members whose e-mail addresses are registered with the Company / Registrar & Share Transfer Agent ('RTA') / Depository Participant(s) ('DPs'). Further, in accordance with the Regulation 36(1)(b) of the Listing Regulations, a letter is being sent to the members whose e-mail addresses are not registered with the Company/RTA/DPs, providing a web-link from where the Notice of the AGM and the Integrated Annual Report can be accessed on the website of the Company.

The 64th AGM will be held on **Thursday, August 07, 2025 at 11.00 a.m.** (I.S.T.) through Video Conferencing / Other Audio Visual Means ('VC / OAVM').

Information at glance:

Particulars	Details
Date and time of AGM	Thursday, August 07, 2025 at 11.00 a.m. (I.S.T.)
Weblink for AGM Notice	https://www.bharatforge.com/assets/pdf/investors/AGM-Notice-2025.pdf
Weblink for Integrated Annual Report	https://www.bharatforge.com/assets/pdf/investors/Integrated-Annual-Report-2024-25.pdf



KALYANI

CIN L25209PN1961PLC012046

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.

PHONE: + 91 20 6704 2476 6704 2451 6704 2544 (Secretarial) Fax 020 2682 2163

Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

B H A R A T F O R G E

Particulars	Details
Web-link for participating through VC/OAVM	https://www.evoting.nsdl.com/
Cut-off date for e-voting	Thursday, July 31, 2025
Remote E-voting start date and time	Monday, August 4, 2025 (9:00 A.M. I.S.T.)
Remote E-voting end date and time	Wednesday, August 6, 2025 (05:00 P.M. I.S.T.)
Remote E-voting website	(i) Individual Shareholders holding securities in demat mode with NSDL: https://eservices.nsdl.com (ii) Individual Shareholders holding securities in demat mode with CDSL: https://web.cdslindia.com/myeasitoken/home/login (iii) Individual Shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode: https://www.evoting.nsdl.com/

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bharat Forge Limited

TEJASWINI
RAMKRISHNA
CHAUDHARI
Digitally signed by
TEJASWINI
RAMKRISHNA
CHAUDHARI
Date: 2025.07.15
14:08:51 +05'30'

Tejaswini Chaudhari

Company Secretary and Compliance Officer

Membership No.: A18907

Encl.: As above



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KALYANI

BHARAT FORGE LIMITED

CIN: L25209PN1961PLC012046

Registered Office: Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India

Phone: +91 20 6704 2777/2476 Fax: +91 2682 2163

E-mail: secretarial@bharatforge.com Website: www.bharatforge.com

NOTICE

NOTICE is hereby given that the 64th (Sixty-Fourth) Annual General Meeting ("**AGM**") of the Members of **Bharat Forge Limited** ("**the Company**") will be held on **Thursday, August 7, 2025, at 11.00 a.m.** (I.S.T.) through Video Conferencing ("**VC**")/Other Audio-Visual Means ("**OAVM**") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 together with the reports of the Board of Directors and Auditors thereon
2. To confirm the payment of an interim dividend and to declare a final dividend on Equity Shares for the Financial Year ended March 31, 2025.
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.

SPECIAL BUSINESS:

4. To appoint Secretarial Auditors 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 Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for appointment of M/s SVD & Associates, Company Secretaries, Pune (Firm Unique Code P2013MH031900) as the Secretarial Auditors of the Company for a period of five (5) consecutive years, commencing on April 1, 2025, until March 31, 2030, to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the said Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters, and things as may be considered necessary, proper, and expedient to give effect to this Resolution."

5. To ratify the remuneration of Cost Auditors for financial year 2025-26

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, if any, 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 remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Accountants,

Pune having Firm Registration No.: 00030, appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2025-26 amounting to ₹ 14,00,000 (Rupees Fourteen Lakhs) plus applicable tax(es) and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, recommended by the Audit Committee and approved by the Board of Directors of the Company be and is hereby ratified.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

6. To enhance limits under Section 180(1)(a) of the Companies Act, 2013 for creation of mortgage and/or charge

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed at the 53rd Annual General Meeting held on September 4, 2014 and pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and all other applicable rules, laws and acts, if any (including any statutory modification(s), re-enactment(s), amendment(s), clarification(s) or substitution(s) thereof for the time being in force), and pursuant to the Memorandum of Association and Articles of Association of the Company, and subject to all other requisite approvals, permissions, sanctions and conditions as may be prescribed by any of the concerned authorities, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted by the Board to exercise its powers, including the powers, conferred by this Resolution) to mortgage, hypothecate, pledge, create charge and also to create liens and all other encumbrances of whatsoever nature on all or any part of the present and future moveable or immovable assets or properties of the Company (hereinafter referred to as the “Assets”) in addition to the existing mortgages, hypothecations and charges created by the Company, on such terms and conditions at such time(s) and in such form and manner, and with such ranking in terms of priority, as the Board may deem fit in one or more tranches to or in favour of any Bank(s) or Financial or other Institution(s), lender(s), Mutual Fund(s), Foreign Institutional Investors (FIIs) or Security Trustee(s) or Body(ies) Corporate, to secure the borrowing facility together with interest, charges and expenses thereon for amount not exceeding ₹ 50,000 million (Rupees Fifty Thousand Million) at any point of time, including in respect of actions already undertaken in the ordinary course of business under the authority of the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to sign and execute all such acts, deeds, matters and things as it may be deemed necessary, proper or desirable, in this regard including to delegate the aforesaid powers to any Director(s) or other Officer(s) of the Company.”

By Order of the Board of Directors
 For **Bharat Forge Limited**

Tejaswini Chaudhari

Company Secretary
 Membership No.: ACS 18907

Place: Pune
 Date: June 30, 2025

Registered Office:

Mundhwa, Pune Cantonment,
 Pune - 411 036, Maharashtra, India
 CIN: L25209PN1961PLC012046
 E-mail: secretarial@bharatforge.com
 Website: www.bharatforge.com

NOTES:

1. AGM through VC/OAVM

The Ministry of Corporate Affairs ("MCA") vide its Circular dated September 19, 2024 in continuation of its earlier circulars on the subject ("MCA Circulars"), has permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") till September 30, 2025 without the physical presence of the members at a common venue. Accordingly, the 64th AGM of the Company will be held through VC/OAVM and members can attend and participate in the AGM through VC/OAVM only. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Electronic dispatch of Notice and Integrated Annual Report

In compliance with the aforesaid MCA Circulars and SEBI Circulars, the latest being SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by the Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM and Integrated Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories.

If your email address is not registered with the Company/Depositories, you can temporarily update the email address and mobile number with the Company's RTA – MUFG Intime India Private Limited, by visiting the link: https://web.in.mpms.mufig.com/EmailReg/Email_Register.html till Tuesday, July 22, 2025 to receive the Notice of the AGM and Integrated Annual Report.

Members may note that the Notice of the AGM and Integrated Annual Report for the financial year 2024-25 will also be available on the Company's website at www.bharatforge.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of RTA at <https://in.mpms.mufig.com>.

In compliance with Regulation 36(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a letter providing details of web-link, including the path, where complete details of Integrated Annual Report are available is being sent to those members whose e-mail addresses are not registered with the Company/RTA or with any Depository.

The Company will also be publishing an advertisement in newspapers containing the details about the AGM i.e., date and time of AGM, details for e-voting, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses, manner of providing mandate for dividends, and other matters as may be required.

3. Explanatory Statement/Special Business

The Explanatory Statement pursuant to Section 102(1) of the Act and additional details in terms of Regulation 36 of the Listing Regulations, in respect of the special businesses under Item Nos. 4, 5 and 6 as set out in the notice is annexed herewith.

4. Particulars of Directors

A statement giving additional details of the Director seeking appointment/re-appointment as set out in Item No. 3 is annexed herewith as 'Annexure A' required under Listing Regulations and Secretarial Standards II ("SS-2").

5. Attending AGM through VC/OAVM

The Company has enabled the members to participate in the 64th AGM through the VC facility i.e. National Securities Depository Limited (NSDL). The detailed procedure and manner for participating in the AGM through VC/OAVM is given in 'Annexure B'.

Attendance through VC/OAVM is restricted and hence, members may join the meeting on a first-come, first-served basis. However, attendance of members holding more than 2% of the paid-up share capital of the Company, institutional investors, Directors, key managerial personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee and the Auditor will not be restricted on a first-come, first-served basis.

6. Voting through electronic means

- i. In compliance with Regulation 44 of the Listing Regulations, Section 108 of the Companies Act, 2013 ("the Act"), and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), Members are provided with the facility to cast their votes electronically. This includes remote e-voting (i.e., voting from a location other than the AGM venue) and e-voting during the AGM, both facilitated through the e-voting platform provided by NSDL.
- ii. The remote e-voting period commences on Monday, August 4, 2025 (9:00 a.m. I.S.T.) and ends on Wednesday, August 6, 2025 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Thursday, July 31, 2025, i.e. 'Cut-off date', may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Those members who will be present at the AGM through the VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- iv. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- v. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
- vi. Mr. Nishad Umrnikar, Partner of M/s MSN Associates, Company Secretaries, Pune, has been appointed as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.
- vii. The result of the e-voting (votes cast during the AGM and votes cast through remote e-voting) will be announced within two working days after the conclusion of the AGM on the Company's website at www.bharatforge.com and will also be communicated to the stock exchanges.

The detailed process and instructions are given in '**Annexure B**' to this Notice.

7. Any person who becomes a Member of the Company after the dispatch of this Notice and holds shares as on the Cut-off date may follow the process outlined in '**Annexure B**' to this Notice for participating in the AGM as well as for remote e-voting/e-voting at the AGM. Any person who is not a Member as on the Cut-off date should treat this Notice for informational purpose only.

8. Proxy

Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

9. Inspection of documents

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act along with all other documents referred to in this Notice, will be available for inspection for the members without any fee from the date of circulation of this Notice up to the date of the AGM, i.e. August 7, 2025. Members seeking to inspect can send an email to the secretarial department of the Company at secretarial@bharatforge.com.

10. Dividend

Pursuant to the Listing Regulations, the Company has fixed **Friday, July 4, 2025**, as the Record Date for the purpose of determining entitlement of members to the final dividend. The final dividend on Equity Shares, if declared at the AGM, shall be paid/credited subject to deduction of income tax at source ("TDS") on or after **Tuesday, August 12, 2025**, to those members:

- (i) whose names appear in the Register of Members of the Company after giving effect to all valid transmission or transposition requests lodged with the Company as of the close of business hours on **Friday, July 4, 2025**; 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 (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), as of the close of business hours on **Friday, July 4, 2025**.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders with effect from April 01, 2020, and the Company is required to deduct tax at source from dividends paid to the members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and the amendments thereof. The Company, vide its email communication dated Wednesday, June 11, 2025, to the members, whose email IDs are registered with the Company/Depositories, has explained the process of TDS on dividend along with the necessary annexures. This communication is also available on the websites of the BSE i.e. <https://www.bseindia.com>, NSE i.e. <https://www.nseindia.com> and the Company at: www.bharatforge.com.

11. We would like to draw your kind attention to the following urgent matters, which require your immediate action:

• **PAN, KYC, NOMINATION AND BANK DETAILS**

SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 has mandated all listed entities to ensure that members holding shares in physical form shall update their PAN, KYC, Nomination and Bank account details (if not updated or provided earlier) through the respective RTA. Accordingly, members are requested to update the requisite details and the forms for updating the same are available at <https://www.bharatforge.com/investors/shareholders-information/shareholder-download>.

Service request or investor complaint from any member cannot be processed by RTA until registration/updation of PAN, KYC, Nomination and Bank account details in the records of the Company's RTA. Members holding shares in electronic form are requested to submit their PAN, KYC, Bank and Nomination details to their depository participants.

• **INTIMATING CHANGES**

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

- a. **For shares held in electronic form:** to their Depository Participants (DPs)
- b. **For shares held in physical form:** register/update the details in prescribed Form ISR-1 and other relevant forms with RTA of the Company at rnt.helpdesk@in.mpms.mufig.com or by writing to them at M/s MUFG Intime India Private Limited, C-101, First Floor, 247 Park, LBS Marg, Vikhroli (W), Mumbai-400 083. Shareholders may download the prescribed forms from the Company's website at: <https://www.bharatforge.com/investors/shareholders-information/shareholder-download>

• **DEMATERIALISATION OF SHARES**

SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has mandated that w.e.f. April 01, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised (“Demat”) form with a depository. In light of the same, shareholders are requested to kindly convert their physical shares into Demat form to avoid hassle in the transfer of shares.

• **ISSUANCE OF SECURITIES IN DEMATERIALISED FORM IN CASE OF INVESTOR SERVICE REQUESTS**

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://www.bharatforge.com/investors/shareholders-information/shareholder-download>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

- **UNCLAIMED DIVIDEND**

Members are requested to note that dividends if not encashed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on: www.iepf.gov.in.

Details of shares transferred to IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://www.bharatforge.com/investors/shareholders-information/IEPF>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: <http://www.iepf.gov.in>

Members who wish to claim their unclaimed dividend(s) may send a written request to the Company at the email Id. secretarial@bharatforge.com or to the Company's RTA on the email Id. rnt.helpdesk@in.mpms.mufg.com. in or by post to RTA's address at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083, Maharashtra, India.

- **DISPUTE RESOLUTION:**

SEBI has established a common Online Dispute Resolution Portal ("ODR Portal - <https://smartodr.in/login>") to raise disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievances with the RTA/ Company directly and through SCORES platform, the investors can initiate dispute resolution through the ODR Portal.

- **SHAREHOLDERS' SATISFACTION SURVEY**

We are committed towards providing excellent services to our shareholders, while upholding the highest standards of corporate governance. To further enhance our shareholder service standards, the Company has launched a Shareholders' Satisfaction Survey, which is available on the Company's website at <https://survey.kalyanincorp.com/ShareholderSurvey/>

The members are requested to take a few moments to complete the survey. Your feedback is invaluable to us as we strive to better serve you.

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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 no. 4, item no. 5 and item no. 6 of the accompanying Notice:

ITEM NO. 4

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ('the Act'), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a practising Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Furthermore, pursuant to recent amendments to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), every listed entity and its material Subsidiaries in India are required to conduct Secretarial Audit and annex the Secretarial Audit Report to its annual report. Additionally, a listed entity must appoint a Secretarial Audit firm for a maximum of two terms of five consecutive years, starting from April 1, 2025 and shareholders' approval is to be obtained at the ensuing Annual General Meeting.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 8, 2025, has approved the appointment of M/s SVD & Associates, Company Secretaries, Pune (Firm Unique Code: P2013MH031900) as the Secretarial Auditors of the Company for a period of five (5) consecutive years, commencing from April 1, 2025 to March 31, 2030 subject to approval of the Members at the Annual General Meeting.

M/s SVD & Associates is a reputed firm of Company Secretaries based in Pune, with Partners having around three decades of experience in corporate compliance and governance is formed by Professionals of varied skill set to bring out synergy in corporate legal and corporate advisory services, catering to wide range of clients, including, a large number of local and multinational companies. Its strength is its team of qualified, experienced and trained professionals who treasure the value of diligence and knowledge. The firm has conducted Secretarial Audits for leading listed and unlisted entities across sectors, adopting a principle-based and risk-oriented approach.

Furthermore, in terms of the amended Listing Regulations, M/s SVD & Associates has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate. M/s SVD & Associates has confirmed that they are not disqualified from being appointed as Secretarial Auditors.

While recommending M/s SVD & Associates for appointment, the Board and the Audit Committee evaluated various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, the clientele it serves, and its technical expertise. M/s SVD & Associates was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company.

M/s SVD & Associates is a peer-reviewed bearing Peer Review Certificate No. 6357/2025 and a well-established firm of Practising Company Secretaries, registered with the Institute of Company Secretaries of India, New Delhi. The firm is led by experienced partners, all of whom are distinguished professionals in the field of corporate Governance and compliance.

The terms and conditions of the appointment of M/s SVD & Associates include a tenure of five (5) consecutive years, commencing from April 1, 2025 upto March 31, 2030 at a remuneration of ₹ 4,25,000 for FY26 and as may be mutually agreed between the Board and the Secretarial Auditors for subsequent years. Additional fees for statutory certifications and other professional services will be determined separately by the Management, in consultation with M/s SVD & Associates, and will be subject to approval by the Board of Directors and/or the Audit Committee.

M/s SVD & Associates has provided its consent to act as the Secretarial Auditors of the Company and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the Listing Regulations. Accordingly, approval of the shareholders is sought for the appointment of M/s SVD & Associates as the Secretarial Auditors of the Company.

The services to be rendered by M/s SVD & Associates as Secretarial Auditors is within the purview of the Listing Regulations, read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 and the FAQs issued thereon on April 23, 2025.

None of the Directors/Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval by the Members.

ITEM NO. 5

Upon recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on May 8, 2025, has, based upon the eligibility and consent to act as such, reappointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune (**Firm Registration No.: 00030**) for conducting the audit of the cost records of the Company for the Financial Year 2025-26.

The Audit Committee and the Board of Directors of the Company have approved a remuneration of ₹ 14,00,000 (Rupees Fourteen Lakhs) plus Taxes at the applicable rates and reimbursement of out-of-pocket expenses for the year 2025-26.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing of an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

None of the Directors/Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO. 6

In terms of Section 180(1)(a) of the Companies Act, 2013 ("the Act"), the Board of Directors of a company can create mortgages, hypothecations, charges or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the company only with the approval of shareholders by way of a special resolution.

The Members of the Company, at the 53rd Annual General Meeting held on September 4, 2014, had accorded their approval under Section 180(1)(a) of the Act, authorising the Board of Directors to mortgage, hypothecate, charge or otherwise encumber the movable and immovable properties of the Company for securing borrowings up to an aggregate amount not exceeding ₹ 30,000 million (Rupees Thirty Thousand Million), to be availed from time to time in one or more tranches. As on March 31, 2025, the Company has secured borrowings of approximately ₹ 24,414 million, thereby utilising a substantial portion of the approved limit.

In view of the expanding scale of operations including new/potential defence orders, the Company's future growth plans, and its long-term strategic and operational objectives, additional borrowings may be required from time to time. To secure such borrowings, it may become necessary to create security by way of mortgage, charge, hypothecation or other encumbrances on the Company's assets — both present and future, movable and immovable. This would also include borrowings within the overall permissible limits under Section 180(1)(c) of the Act.

Considering this, and to provide adequate flexibility to the Board in managing the Company's financing requirements in the ordinary course of business, it is proposed to enhance the limit for creation of security under Section 180(1)(a) from ₹ 30,000 million (Rupees Thirty Thousand Million) to ₹ 50,000 million (Rupees Fifty Thousand Million).

Accordingly, the approval of the Members is being sought by way of a Special Resolution, as set out in Item No. 6 of the accompanying Notice, to authorise the Board of Directors to mortgage, hypothecate, charge or otherwise encumber the properties and assets of the Company, present and future, for securing borrowing arrangements up to the proposed enhanced limit, in one or more tranches, as may be deemed necessary and appropriate by the Board from time to time.

The Board recommends the resolution for the approval of the Members by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

By Order of the Board of Directors
For **Bharat Forge Limited**

Tejaswini Chaudhari
Company Secretary

Membership No.: ACS 18907

Place: Pune

Date: June 30, 2025

ANNEXURE 'A'

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT
[INFORMATION PURSUANT TO REGULATION 36 OF LISTING REGULATIONS AND SECRETARIAL
STANDARDS II]**

ITEM NO. 3**Mr. S. E. Tandale****Brief Profile – Qualification, Experience and Expertise:**

Mr. S. E. Tandale is the Executive Director since May 2006 and has served the Company for more than three decades. He holds an Engineering Degree from the University of Pune. He brings a wealth of expertise in Forging, which has played a significant role in the growth and success of Bharat Forge. Mr. Tandale joined Bharat Forge in 1991 and has since been instrumental in driving the Company's strategic initiatives, overseeing operations in the Components Forging Business Unit. Under his leadership, Bharat Forge has achieved increased market share. Mr. Tandale has been the key driver behind winning customer accolades and recognitions at global & national forums. Additionally, he has been at the forefront of developing and nurturing BFL's global business & strategy, which has significantly impacted the Company's operations and market positioning.

Date of Birth and Age: September 24, 1968 - 56 years**Date of first appointment on the Board:** May 23, 2006**Relationship with other Directors, Managers and other Key Managerial Personnel of the Company:** Not related to any Director, Manager or Key Managerial Personnel**Terms and conditions of appointment:** Re-appointment in terms of Section 152(6) of the Act**Shareholding in the Company (as on March 31, 2025):** Mr. S. E. Tandale holds 208 equity shares**Listed entities (other than Bharat Forge Limited) in which Mr. S. E. Tandale holds Directorships and Committee Membership (as on May 8, 2025):** None**Listed entities from which Mr. S. E. Tandale has resigned as Director in past 3 years (as on May 8, 2025):** None**Board Meeting Attendance:** During the year 2024-25, five (5) Board meetings of the Company were held and Mr. S. E. Tandale had attended all of the five (5) Board Meetings.**Remuneration last drawn:** Remuneration for the financial year 2024-25:

	Amt (in ₹)
Salary and Perquisites	36,172,822
Provident Fund and Superannuation Fund	1,931,580
Commission*	190,00,000
Long Term Cash Incentive	3,500,000
Total	60,604,402

* Proposed for the financial year 2024-25, payable in the financial year 2025-26

Details of revision in remuneration: Remuneration as decided by the Board within the ceiling approved by shareholders.

ANNEXURE 'B'

INSTRUCTIONS FOR MEMBERS TO ATTEND THE AGM THROUGH VC/OAVM AND TO SPEAK DURING THE AGM

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Monday, August 4, 2025 at 9:00 A.M.** and ends on **Wednesday, August 6, 2025 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. **Thursday, July 31, 2025** may cast their vote electronically. The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Thursday, July 31, 2025**.

How do I vote electronically using the NSDL e-Voting system?

The way to vote electronically on the NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to the NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access the e-Voting facility.

The Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login, you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on the registered email ID/mobile number and click on login. After successful authentication, you will be redirected to the NSDL Depository site where you can see the e-Voting page. Click on the company name or e-Voting service provider i.e. NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting. - Existing IDeAS users can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page, click on the "Beneficial Owner" icon under "Login" which is available under the 'IDeAS' section. this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value-added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on the company name or e-Voting service provider i.e. NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site where you can see the e-Voting page. Click on the company name or e-Voting service provider i.e. NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	5. Shareholders/Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for a seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for the CDSL Easi/Easiest facility, can login through their existing user ID and password. An option will be made available to reach the e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit the CDSL website www.cdslindia.com and click on the login icon & New System Myeasi Tab and then use their existing my easi username & password. - After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see the e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, the option to register is available at the CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on the registration option. - Alternatively, the user can directly access the e-Voting page by providing the Demat Account Number and PAN No. from the e-Voting link available on the www.cdslindia.com home page. The system will authenticate the user by sending OTP on the registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-voting is in progress and also be able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for the e-Voting facility. Upon logging in, you will be able to see the e-Voting option. Click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, where you can see the e-Voting feature. Click on the company name or e-Voting service provider i.e. NSDL and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve their User ID/Password are advised to use Forget User ID and Forget Password options available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through the Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request to evoting@nsdl.com or calling at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact the CDSL helpdesk by sending a request to helpdesk.evoting@cdslindia.com or contacting at toll-free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Login to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in a demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12*****, then your user ID is IN300***12*****.
b) For Members who hold shares in a demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12*****, then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 134423, then user ID is 134423001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using the NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the.pdf file. The password to open the.pdf file is your 8-digit client ID for NSDL account, the last 8 digits of client ID for CDSL account or the folio number for shares held in physical form. The.pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow the steps mentioned below in the **process for those shareholders whose email IDs are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on the **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) The **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by the aforesaid two options, you can send a request to evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password)-based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting the check box.
8. Now, you will have to click on the "Login" button.
9. After you click on the "Login" button, the Home page of e-Voting will open.

Step 2: Cast your vote electronically and join the General Meeting on the NSDL e-Voting system.

How to cast your vote electronically and join the General Meeting on the NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting are in active status.
2. Select "EVEN" of the company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining the virtual meeting, you need to click on the "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take a printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to nishad.msn@gmail.com with a copy marked

to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under the "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call 022 - 4886 7000 or send a request to Ms. Rimpa Baug at evoting@nsdl.com

Process for those shareholders whose email IDs are not registered with the depositories for procuring a user ID and password and registration of email IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@bharatforge.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@bharatforge.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining a virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring a user ID and password for e-voting by providing the above-mentioned documents.
4. In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access the e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to the NSDL e-Voting system**. After successful login, you can see the link of "VC/OAVM" placed under the "Join meeting" menu against the company name. You are requested to click on the VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in the Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid a last-minute rush.

2. Members are encouraged to join the Meeting through Laptops for a better experience.
3. Further, Members will be required to allow the Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptops connecting via a Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use a Stable Wi-Fi or LAN Connection to mitigate any kind of the aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email ID and mobile number at secretarial@bharatforge.com. The same will be replied to by the company suitably.
6. Members who would like to express their views/ask questions during the meeting may pre-register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, email ID and mobile number to secretarial@bharatforge.com till 5.00 p.m. on Monday, August 04, 2025. Only those members who have pre-registered themselves as speaker will be allowed to express their views/ask questions during the AGM.

INFORMATION AT A GLANCE

Sr. No.	Particulars	Details
1	Day, Date and Time of AGM	Thursday, August 7, 2025 at 11.00 a.m. (IST)
2	Mode	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
3	Participation through VC/OAVM	Members can login 30 minutes before the time scheduled for the AGM i.e. at 10.30 a.m. (IST) at https://www.evoting.nsdl.com/
4	Contact information for VC or e-Voting-related issues	E-mail: evoting@nsdl.co.in Tel: 022-49186000
5	Speaker Shareholder Registration before AGM	Email: secretarial@bharatforge.com is accessible till 5:00 p.m. (IST) on Tuesday, August 5, 2025
6	Cut-off Date for E-voting	Thursday, July 31, 2025
7	Remote E-voting start and end date and time	Monday, August 4, 2025 at 9:00 a.m. IST and Wednesday, August 6, 2025 at 5:00 p.m. IST
8	Remote E-voting website	(i) Individual Shareholders holding securities in demat mode with NSDL: https://eservices.nsdl.com (ii) Individual Shareholders holding securities in demat mode with CDSL: https://web.cdslindia.com/myeasitoken/home/login (iii) Individual Shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode: https://www.evoting.nsdl.com/
9	Name of E-voting Service Provider	NSDL
10	Name of Registrars and Transfer Agents	MUFG Intime India Private Limited
11	Registration of Members' email IDs For physical holding: For DEMAT holding:	rnt.helpdesk@mufgintime.co.in to their Depository Participants(DPs)
12	Record date for Dividend	Friday, July 4, 2025
13	Dividend payment date	On or after Tuesday, August 12, 2025
14	Information of tax on Dividend 2024-25	The same is available at the Company's website at https://www.bharatforge.com/investors/agm
15	Transcript of AGM	To be made available on the website of the Company at https://www.bharatforge.com/investors/agm

BHARAT FORGE



2024
—
25

Integrated
Annual Report



Read the report on www.bharatforge.com

60+

YEARS OF
MANUFACTURING
EXPERIENCE

30+

YEARS OF
EXPORTING
EXPERIENCE

LARGEST
REPOSITORY

OF METALLURGICAL
KNOWLEDGE

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Committed

TO A
SUSTAINABLE
FUTURE

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ABOUT THE REPORT

BASIS OF REPORTING

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

REPORTING PERIOD AND SCOPE

The Report covers the financial and non-financial information and activities of Bharat Forge Limited, India, for the period from April 1, 2024, to March 31, 2025. Significant material developments up to the Board Meeting held on May 8, 2025, have also been included.

REPORTING PRINCIPLE

This Report has been prepared in accordance with the following regulatory requirements:

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

It also draws guidance from international frameworks, including:

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

BOARD ASSURANCE

The Board confirms that it has collectively applied its mind in the preparation of this Report. The members accept responsibility for its integrity and are of the opinion that it fairly and comprehensively addresses all material matters, offering a balanced view of the Company's performance.

FORWARD-LOOKING STATEMENTS

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

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

NAVIGATE OUR REPORT

UN SDGs



Six capitals



Financial Capital

The pool of funds available to us – generated through operations and external sources – used to support business activities, drive growth, and deliver shareholder returns

₹ → 28



Intellectual Capital

Our innovation ecosystem comprising R&D centers, technical know-how, proprietary processes, and digital capabilities that drive product excellence and competitive advantage

₹ → 30



Manufactured Capital

Our manufacturing facilities, infrastructure, and equipment that supports manufacture of large-scale, high-quality, and diverse range of products

₹ → 34



Human Capital

The skills, experience, and commitment of our people, who power innovation, operational efficiency, customer focus, and strategic execution

₹ → 36



Social & Relationship Capital

The trust and goodwill we build with customers, partners, communities, and other stakeholders, enabling sustained growth and social impact

₹ → 38



Natural Capital

The environmental resources we depend on – energy, water, raw materials – and our ongoing efforts to reduce ecological impact and enhance sustainability

₹ → 40

Stakeholder groups



Employees



Shareholders



Communities



Government



Customers



Business Partners

Material matters

- M1** Sustained performance & quality
- M2** Health, safety and environment
- M3** Climate change
- M4** Intellectual property
- M5** Innovation
- M6** IT, data center & farsight disaster recovery

- M7** Human capital development
- M8** Maintenance
- M9** Data protection
- M10** Brand risk/reputation
- M11** Customer satisfaction
- M12** Disaster recovery
- M13** Supply chain management
- M14** Corporate governance & business ethics

KEY HIGHLIGHTS FY2025

PROGRESSING DECISIVELY

SUCCESSFUL QIP

Successfully closed a Qualified Institutional Placement to support inorganic growth in India and deleverage the balance sheet

₹1,650 crore

Raised

COLLABORATION TO SCALE AEROSPACE SEGMENT

Announced advanced aerospace component facility in Pune for manufacturing aero structure and landing gear components.

2027

Facility slated to go live

SCALING THE CV SEGMENT

Signed Share Purchase agreement to buy AAM India Manufacturing Corporation Private Limited's (AAMIMCPL) commercial vehicle operations in India.

- Strategically expand into axles for Commercial Vehicles
- Increase share of products from Bharat Forge

MAIDEN DOMESTIC ARTILLERY ORDER

Signed contract with Government of India to supply 184 ATAGS platforms for ~₹4,000 crore.

ADVANCING DEFENCE TECH

KSSL purchased 25% stake in EdgeLabs SpA.

- Collaboration to strengthen capabilities in design and manufacture of underwater systems

₹15,123 crore

Consolidated revenues

▼ 3.57%

₹8,844 crore

Standalone revenues

▼ 1.4%

₹4,728 crore

Export revenues

▼ 4.1%

MANAGEMENT LETTER

IN OUR CMD’S OWN WORDS



The world is no longer conventionally cyclical – it moves through structural pivots, policy changes, and geopolitical realignments. While our positioning has always been global, our strength today lies in how we leverage our talent and technology.



Read about the macroeconomic landscape and industrial overview in our MD&A report

SHAPED
BY TIME,
DEFINED BY
INTENT

DEAR SHAREHOLDERS,

Every business is tested – sometimes by events it cannot control, often by choices it makes. The past few years reminded us that progress rarely follows a straight line. It bends, pauses, and often shifts. What matters is that progress and prosperity eventually follows.

FY2025 offered no easy answers. It brought shifts that called for reflection and pushed us to rejuvenate. The result – a business more attuned to its purpose and better positioned to move forward.

CONTOURS OF THE EXTERNAL LANDSCAPE

The year unfolded against a backdrop of complex macroeconomic and geopolitical conditions. Major economies maintained a tight monetary policy, with elevated interest rates aimed at curbing persistent inflation. Global demand softened, particularly in industrial production across advanced markets, while private capex showed signs of caution.

The elections in the United States have led to sweeping policy changes that influenced global trade dynamics.

The evolving nature of trade has introduced considerable demand uncertainty across sectors globally, including the United States, the world’s largest economy. As businesses and consumers await clarity, the intervening period till the end of 2025 will be characterized by demand uncertainties.

Beyond trade issues, geopolitical conflicts in the Middle-East and the Indian subcontinent are also likely to impact business decisions in the near future.

The world is no longer conventionally cyclical – it moves through structural pivots, policy changes, and geopolitical realignments. While our positioning has always been global, our strength today lies in how effectively we leverage our talent and technology.

TRANSFORMATIONAL SHIFT IN ACTION

Although there were improvements in many parameters in FY2025, the performance for the full year was a mixed bag. Consolidated revenues were flattish at ₹15,123 crore in FY2025 as against ₹15,682 crore in FY2024. Consolidated EBITDA margins improved 180 bps to 18.2%, and the balance sheet strengthened further with cash on books of ₹2,623 crore as of March end.

Transformation through diversification has been a key driver of our success over the past several years, and it is starting to manifest meaningfully in various aspects. Over the last 5-6 years, we have undergone a pivotal shift in the customers we serve, the products we make and the technology frontiers we have surpassed. This shift has created newer market segments which hitherto didn’t exist in our business mix.

Sectoral Shift: Within industrial exports, Oil & Gas was historically the dominant sector. This has gradually evolved with aerospace now accounting for 14% of industrial exports – four times more than in FY2020. The aerospace unit has progressed from supplying components to



FY2025 challenged long-held assumptions. We responded with discipline – balancing growth, profitability, and opportunity.

delivering assemblies and finished products. Building on this, we are investing in a new forging and machining complex for flight-critical parts, backed by long-term customer contracts.

Product/Component Shift: The defence business is central to our transition from components to products. With time, we have developed in-house defence capabilities in electronics, embedded systems, and software – creating competencies that are expected to benefit other verticals as well. With a revenue of around ₹1,800 crore across artillery systems, armored vehicles, sustainment spares, and naval utility products, the business is slowly delivering on its long-term vision. A key thrust area within defence is the small arms segment where we have invested heavily to build a globally competitive product line. We see strong potential for this vertical to replicate the success seen in some of our well-established segments within defence.

As component/product sourcing patterns reflect the shift in supply chains, we believe the time has come for India's electronics story to play out over the next few years. Starting with the EMS space, we expect progressive development of capabilities to manufacture complex electronic products. A conducive policy environment and monetary incentives from the government augur well for the evolution of electronic product manufacturing in India. Recognizing this trend, we have made an initial entry into the value chain of high-tech electronics manufacturing – on both the equipment and EMS fronts.

Another important milestone in our transformation journey is the acquisition of AAMIMCPL. Through this acquisition, our portfolio of products and aggregates will broaden further. We anticipate the share of products, as a share of revenue, to reach 25% in the next few years.

Metallurgical Solution Shift: From being a supplier of steel forgings, we have evolved as a manufacturing conglomerate with expertise across steel, aluminum, ferrous, titanium and other exotic alloys. This shift has enabled us to increase our content per customer/sector.

STRENGTHENING FROM WITHIN

FY2025 challenged long-held assumptions. We responded with discipline – balancing growth, profitability, and opportunity.

Margins strengthened across the board. Standalone EBITDA rose to ₹2,524 crore with margins at 28.5%, while consolidated margins improved to 18.2%, driven by a sharper mix and tighter cost control.

Capital decisions reflected the same clarity. Surplus cash on the standalone balance sheet reached ₹2,623 crore, and RoCE (net of cash) held at 18.1%. Proceeds from our equity raise were used to repay overseas debt, reducing our consolidated net-debt-to-equity to 0.35x and lowering interest costs.

Our executable order book in defence now stands at around ₹9,500 crore, offering multi-year visibility. Securing the ATAGS contract reaffirmed our ability to deliver complex, high-tech platforms.

Over the last 3-4 years, we have invested significant capital to strengthen our overseas aluminum operations, scale up our Indian subsidiaries and add capacity in the domestic forging business. Majority of these investments are concluded. With capex intensity coming down, our free cash flows are likely to improve from FY2025-26.

₹9,500 crore

Our executable order book in defence

0.35x

Reducing consolidated net-debt-to-equity



In FY2025, over 37% of our electricity came from renewable sources, and 99.18% of waste generated was recycled.

3,790

Women empowered

SUSTAINABILITY COMMITMENT

We view sustainability as a strategic imperative – deeply embedded in our business model and culture. Over the past year, we have advanced in our ESG journey through stronger governance, sharper disclosures, and integrated decision-making. A dedicated ESG Committee at the Board level provides oversight, while our updated materiality assessment ensures we focus on what matters most to our stakeholders. We have aligned our priorities with global frameworks such as the UN SDGs and SBTi, reinforcing our commitment to responsible growth and transparent reporting. Our latest ESG ratings reflect this momentum, with significant improvements across S&P, Sustainalytics, CDP, and EcoVadis assessments.

We continue to make tangible progress across environmental, social, and governance pillars. In FY2025, over 37% of our electricity came from renewable sources, and 99.18% of waste generated was recycled. We have also enhanced social impact – empowering 3,790 women, supporting over 36,000 youth through skill initiatives, and upgrading 32 rural health centers. These outcomes mark our progress towards a resilient, low-carbon, inclusive future that creates long-term value for all stakeholders.

SHAPING THE FUTURE

For over two decades, we've operated across every major continent. That experience brought scale, talent, and global reach – but it also taught us that global presence requires sharp selectivity. Going forward, we will deploy our global footprint with greater caution. India will become the center of gravity, with capital, engineering, and leadership attention aligned to where demand visibility, policy support, and supply-chain strength converge.

Our priorities reflect this shift. We will accelerate growth at high-return Indian verticals – defence, aerospace, advanced castings, and a growing electronics cluster – while concluding the review of our European steel forging assets. Overseas expansion will be pursued only where risk-adjusted returns justify the exposure. Digitization will streamline factories and compress development cycles, while the AAM India CV business acquisition strengthens our driveline platform and increases content on domestic vehicles.

External factors such as tariffs, emissions policy and election cycles will continue to evolve. But with a strong balance sheet and long domestic order books, we have the ability to adapt.

EMERGING STRONGER, TOGETHER

In retrospect, one truth is clear: progress is a collective effort. Our customers raised the bar – we responded with performance. Our people embraced change with skill and resilience – their growth remains central to our purpose. Shareholders enabled decisive moves – they can expect the same clarity going forward. And the communities around us shared their trust – we remain committed to translating success into local opportunity and responsible growth.

This year proved that purposeful transformation builds enduring strength. We acted swiftly where speed mattered, and stayed the course where patience paid off. That balance – decisive action and steady execution – will shape our path as we deepen our base in India and approach global opportunities with sharper intent.

Thank you for being part of this journey. Together, we'll keep building – and keep emerging stronger.

Warm regards,

B N Kalyani

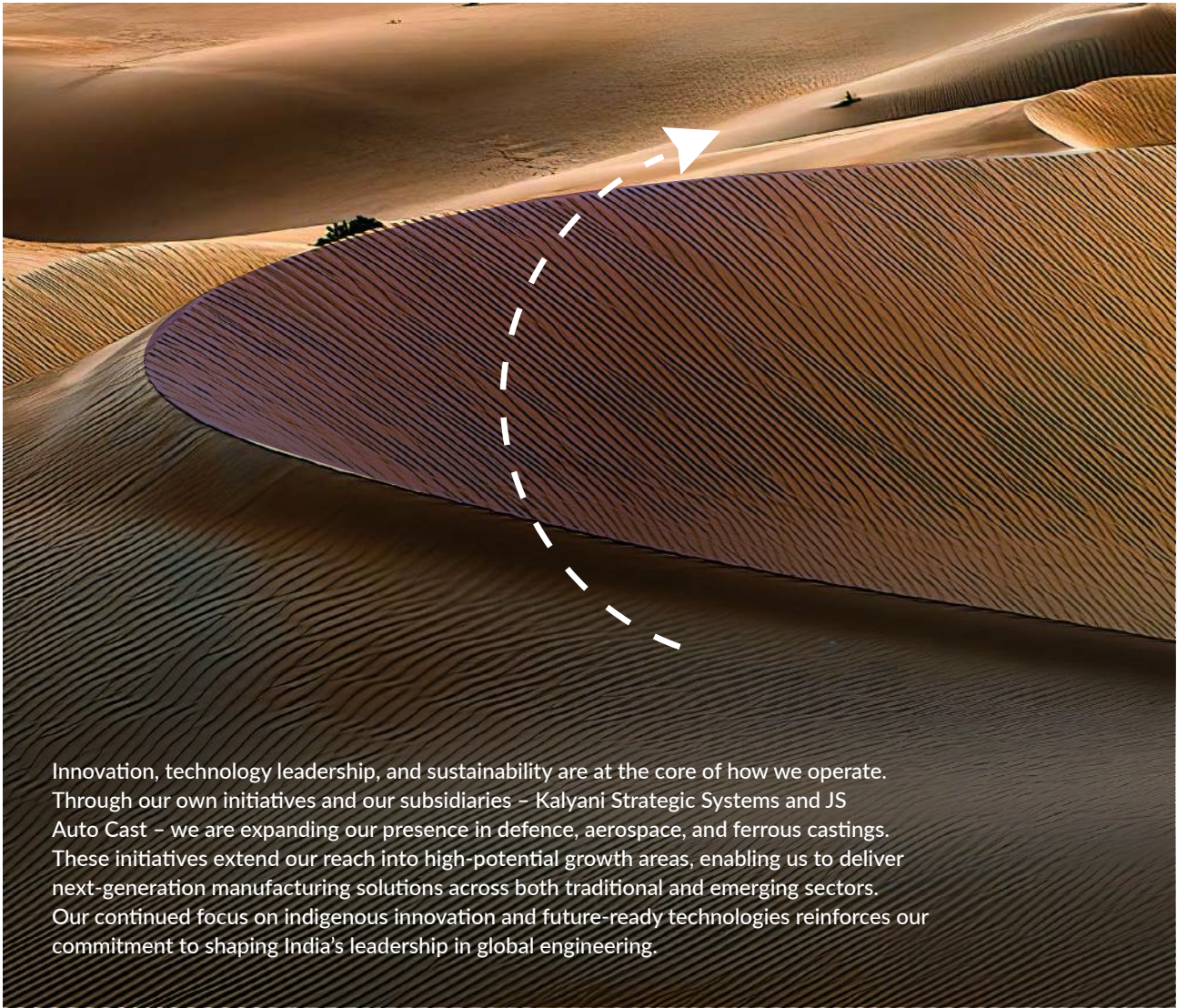
Chairman and Managing Director

ABOUT THE COMPANY

THE BHARAT FORGE UNIVERSE

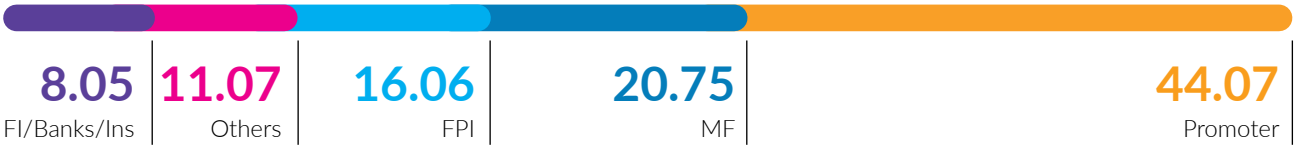
Bharat Forge Limited is a global leader in high-performance, safety-critical components and solutions across a wide spectrum of industries including automotive, aerospace, defence, railways, marine, oil & gas, construction, and industrial equipment. Headquartered in Pune, India, we operate across five countries with a strong global footprint and a large, diverse repository of metallurgical expertise. Our full-service capabilities – from design and engineering to testing and validation – enable us to serve some of the most respected customers worldwide. Over the decades, we have evolved from a single-location forging company into a diversified, multi-product enterprise, driven by deep engineering know-how and cutting-edge manufacturing.

₹55,896 crore
Market capitalization as of March 31, 2025



Innovation, technology leadership, and sustainability are at the core of how we operate. Through our own initiatives and our subsidiaries – Kalyani Strategic Systems and JS Auto Cast – we are expanding our presence in defence, aerospace, and ferrous castings. These initiatives extend our reach into high-potential growth areas, enabling us to deliver next-generation manufacturing solutions across both traditional and emerging sectors. Our continued focus on indigenous innovation and future-ready technologies reinforces our commitment to shaping India's leadership in global engineering.

OWNERSHIP STRUCTURE (%)



EXPERTISE ACROSS DIFFERENT BUSINESS SEGMENT

AUTOMOTIVE

- India's largest exporter of auto components
- Among the world's leading manufacturers of powertrain and chassis components, with advanced design, dual-shore manufacturing, and full-service supply capabilities
- Supplying high-performance components to global OEMs and Tier I suppliers
- Expertise in steel and aluminum across forgings and castings
- Strong process knowledge and manufacturing excellence across platforms



COMMERCIAL VEHICLES



PASSENGER VEHICLES



E-MOBILITY



RAIL AND MARINE

- Leading supplier of engine components for railway applications in domestic and global markets
- Capability to manufacture indigenously developed turbochargers for rail engines



DEFENCE AND AEROSPACE

- End-to-end indigenous capabilities across artillery systems, protected and armored vehicles, naval utility products, and consumables
- Strength in metallurgy, material science, embedded electronics, control systems
- Trusted manufacturer of zero-defect rotating and landing gear components for global aerospace majors
- Longstanding supplier of mission-critical components to Indian defence forces and international aerospace clients

INDUSTRIAL



POWER

- Proven capabilities in manufacturing critical components for thermal, wind, hydro, and nuclear power systems
- Strengthened presence in renewables through tailored engineering solutions via JS Auto Cast



RESOURCES (OIL & GAS, CONSTRUCTION & MINING)

- Specialist in critical, high-end components for construction and mining equipment
- Products engineered for durability in extreme operating conditions
- Exploring subsystem potential by combining both Forging and Casting solutions



GENERAL ENGINEERING

- Manufacturing high-quality, durable components for diverse heavy engineering applications
- Flexible production capabilities tailored to specific industrial needs

GEOGRAPHICAL FOOTPRINT

FOOTPRINT BUILT FOR SCALE



Our presence across key geographies ensures seamless support to customers worldwide. As a global engineering leader, Bharat Forge operates 18 manufacturing facilities across five countries, with a strong presence in key markets such as India, North America, and Europe. Through integrated design, manufacturing, and validation centers, we deliver complex, high-value solutions at scale.

716,500 TPA
Total capacity

INDIA



11
Manufacturing Plants

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

Iron Castings Plant:
Coimbatore, Erode

Aluminum Castings Plant:
Nellore

Defence Vehicle Plant:
Lonikand

Bharat Forge
370,400 MTPA
Steel Forging Capacity

2,400 MTPA
Aluminum Casting Capacity

JS Auto Cast
77,700 MTPA
Iron Casting Capacity

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

NORTH AMERICA



2
Manufacturing Plants

35,100 MTPA
Steel Forging Capacity

10,600 MTPA
Aluminum Forging Capacity

EUROPE



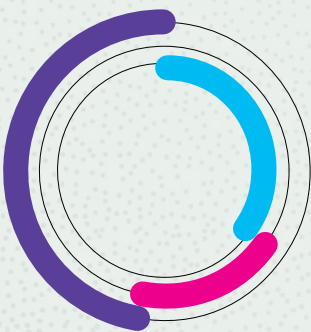
5
Manufacturing Plants

180,400 MTPA
Steel Forging Capacity

27,400 MTPA
Aluminum Forging Capacity

REVENUE BREAK-UP

Revenue by Business

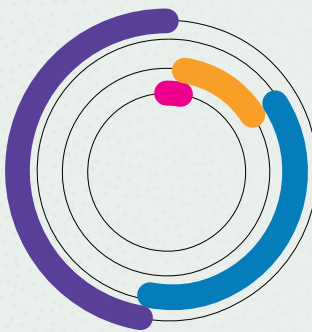


Commercial Vehicles 35%

Passenger Vehicles 18%

Industrial 47%

Revenue by Geography



India 47%

Americas 37%

Europe 13%

Others 3%

BUSINESS MODEL

OUR BLUEPRINT TO RESILIENCE

INPUTS

Financial Capital

Total capital employed

₹172,602 million

Net debt equity ratio

0.17

Capex

₹6,144 million

Intellectual Capital

R&D spending

₹581 million

R&D spend as a % of revenue

0.65%

Patents filed till date

139

R&D teams' strength

179

Manufactured Capital

Number of plants in India

6

Material cost

₹35,922 million

Manufacturing costs

₹12,141 million

Human Capital

Total employees

4,354

Employee benefit expense

₹6,366 million

Training hours per employee

21.92

Natural Capital

Renewable energy

85.11 MW

% of electricity consumed from renewable resources

37%

No. of trees planted

344,574

Social and Relationship Capital

CSR spending

₹245 million

Total volunteers

3,000

VALUE CREATION

Sources that Enable Our Value Creation

Deep culture of innovation for technology and product differentiation

Robust forging competence supported by Industry 4.0 excellence

Deep and nurtured relationships

Vertically integrated model with end-to-end capabilities

Technical know-how of people

Value Creation Model and Principal Activities

Engineering-driven product development

R&D, technology and innovation

Manufacturing

Customer relationships

OUTPUTS

260,415 tons

Total tonnage

Key Segments and Products

Automotive

Commercial Vehicles

Passenger Vehicles

Industrial

Power and Oil & Gas

Wind

Rail

Marine

Aerospace

Construction and Mining

Defence

Agriculture

OUTCOMES

Financial Capital

Total income

₹88,437 million

EBITDA

₹25,237 million

PAT

₹13,223 million

Dividend per share (Interim + Proposed)

₹8.5

RoCE (Net of Cash)

18.1%

RoNW

12.1%

Intellectual Capital

Process improvement

17

Product improvement

11

New products developed

57

Technical Papers published & presented

3

Manufactured Capital

Tonnage shipped

260,415

Auto revenues

53%

Industrial revenues

47%

Leading manufacturer of powertrain and chassis components

Human Capital

Employee productivity (Revenue per employee)

₹20.31 million

Lost time injury frequency rate

0.44

Natural Capital

Wastewater recycled

100%

GHG emission avoided by use of RE (tCO₂e)

107,191

Usage of recycled water in operations

41%

Social and Relationship Capital

Lives touched through CSR

303,739

Women empowered

3,790

Students benefited

36,545

SDGs IMPACTED

8

Decent Work and Economic Growth

9

Industry, Innovation and Infrastructure

12

Responsible Consumption and Production

17

Partnerships for the Goals

9

Industry, Innovation and Infrastructure

12

Responsible Consumption and Production

3

Good Health and Well-being

6

Clean Water and Sanitation

8

Decent Work and Economic Growth

6

Clean Water and Sanitation

7

Affordable and Clean Energy

12

Responsible Consumption and Production

13

Climate Action

15

Life on Land

1

People

2

Zero Hunger

3

Good Health and Well-being

4

Quality Education

5

Gender Equality

6

Clean Water and Sanitation

7

Affordable and Clean Energy

8

Decent Work and Economic Growth

9

Industry, Innovation and Infrastructure

10

Reduced Inequalities

11

Sustainable Cities and Communities

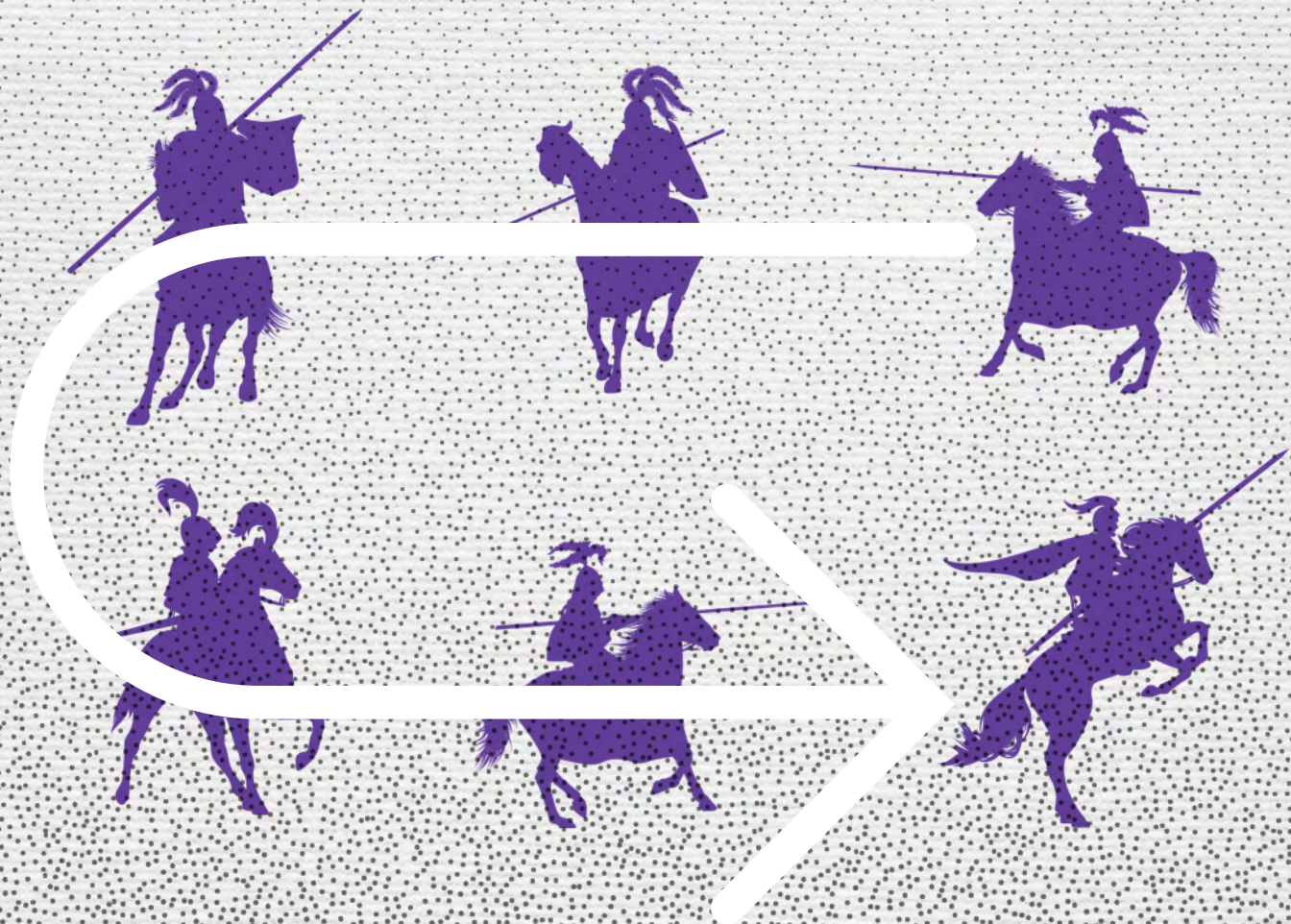
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Partnerships for the Goals

STRATEGY

RECALIBRATION TO ADVANCE

Our strategy reflects a clear shift – focused on scaling high-potential verticals, strengthening domestic anchors, and aligning capital to core advantage. This recalibration positions us to lead with resilience, pursue quality growth, and create sustained value across cycles.



STRATEGIC PRIORITIES

ACTIONS UNDERTAKEN AND POTENTIAL OUTCOMES

S1

Focusing on the Indian market

- The AAM India acquisition strengthens our position in the local passenger and Light Commercial Vehicle market.
- In addition to Forging, we aim to increase our content per customer via supply of ferrous and aluminum castings. Defence and aerospace being scaled up in line with Make in India.

S2

Scaling high-growth verticals

- Defence order book expanded to ₹9,500 crore; strong pipeline across artillery, vehicles, and naval systems
- Aerospace business growing at 15-20% annually with wins from global OEMs and new facility investments
- Ferrous casting (JSA) reached ₹697 crore in revenue with margins at 14.9%
- Strategic investments in machining and ring mills for aerospace signal the shift to integrated systems and sub-systems

S3

Transitioning from components to products

- Acquisition of AAM India provides strong push to increasing share of proprietary products
- Product-led growth being driven across defence, aerospace, and industrial verticals.

S4

Scaling the Indian subsidiaries

- Developing full-stack EV powertrain systems
- New KSSL plant to consolidate defence manufacturing and unlock future capacity
- Electronic products manufacturing line operational. Utilization likely to receive a step up with server manufacturing at the recently inaugurated SMT line

S5

Financial prudence and operational focus

- Net debt-to-equity reduced to 0.17x; ₹2,623 crore cash on books as of FY2025
- FY2026 CAPEX to be focused solely on India; Capex intensity to come down sharply in FY2026 as overseas capex got concluded. Operational improvements underway via cost control to optimize operations

S6

Digitalization and organizational capability

- AI and digital tools being deployed to drive cost reduction and productivity
- Workforce realignment and facility upgrades aimed at next-gen efficiency
- Organizational 2.0 model enhancing execution bandwidth and agility

STAKEHOLDER ENGAGEMENT

OUR APPROACH TO PURPOSE-DRIVEN ENGAGEMENT

We engage with our stakeholders through focused, transparent, and continuous dialogue that aligns with our long-term vision. Our approach is built on trust, responsiveness, and shared value – ensuring that their insights provide better direction to our actions, growth, and strengthen our role as a partner in progress.

STAKEHOLDER ENGAGEMENT PROCESS



VALUE CREATED IN FY2025



Employees

₹6,366 million

Expenses and benefit

Capitals Impacted



Material Topics

M2, M7



Shareholders

₹4,064 million

Dividend announced for FY2025

Capitals Impacted



Material Topics

M1, M10



Communities

₹245 million

CSR spend

Capitals Impacted



Material Topics

M2, M3, M14



Government

₹4,966 million

Provision for taxes

Capitals Impacted



Material Topics

M1, M2, M3, M14



Customers

Differentiated products and solutions and engineering support

Capitals Impacted



Material Topics

M1, M5, M9, M10, M11, M12



Business Partners

Strengthened long-term partnerships

Capitals Impacted



Material Topics

M6, M8, M13, M14

122

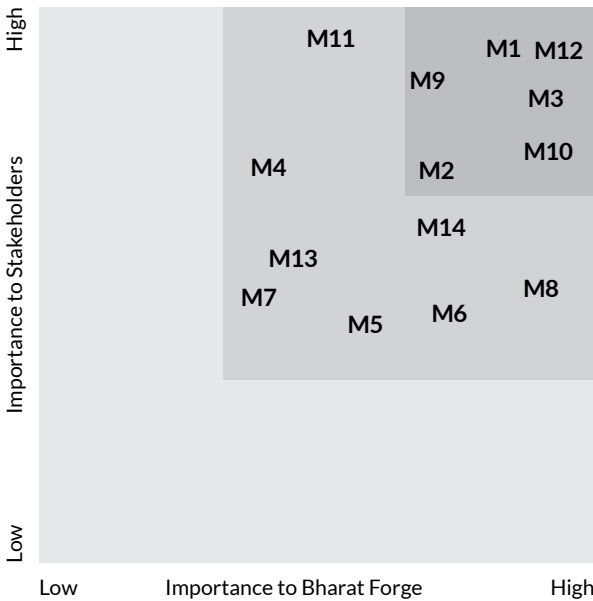
Business Responsibility and Sustainability Report section

MATERIALITY ASSESSMENT

FOCUSING ON THE MATTERS THAT DRIVE IMPACT

Our materiality assessment helps us identify and prioritize the issues that influence long-term value creation. This helps us ensure our strategy remains aligned with emerging expectations, business resilience, and responsible growth.

MATERIALITY MATRIX



APPROACH TO MATERIALITY

We conducted an internal engagement exercise involving cross-functional teams and key stakeholders to identify material issues affecting our business. The process was guided by regular external interactions, internal survey feedback, and industry benchmarking, in alignment with GRI's materiality principles.

OUR MATERIAL MATTERS

M1

Sustained performance & quality

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M2

Health, safety and environment

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M3

Climate change

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M4

Intellectual property

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M5

Innovation

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M6

IT, data center & farsight disaster recovery

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M7

Human capital development

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M8

Maintenance

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M9

Data protection

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M10

Brand risk/reputation

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M11

Customer satisfaction

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M12

Disaster recovery

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M13

Supply chain management

Capitals Impacted

SDGs Linked

Stakeholders Impacted

M14

Corporate governance & business ethics

Capitals Impacted

SDGs Linked

Stakeholders Impacted

Read more in the Business Responsibility and Sustainability Report section page 122.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

COMMITTED TO A SUSTAINABLE FUTURE

We are embedding sustainability at the core of our strategy to create long-term value for all stakeholders. Our commitment spans across environmental stewardship, social responsibility, and strong governance practices. We continue to advance initiatives that reduce our environmental footprint, strengthen our communities, and uphold the highest standards of ethics, transparency, and accountability – building a resilient business ready for the future.



SUSTAINABILITY FRAMEWORK

Our sustainability framework anchors our efforts to identify and address material risks and opportunities that impact our stakeholders – including customers, investors, employees, value chain partners, and communities. It provides a clear direction for integrating sustainability into every aspect of our operations.

We follow a top-down approach to embed sustainability values across the organization, ensuring alignment from leadership to frontline operations. This framework drives our continuous evolution towards global best practices and innovative solutions.

We are committed to becoming a sustainability leader within the manufacturing sector. This belief powers our ESG mission and informs our initiatives and investments.

We embedded ESG into our operations through:

- Establishing a robust decarbonization roadmap with measurable targets
- Creating an ESG Committee led by our Executive-cum-Joint Managing Director for strategic oversight
- Institutionalizing ESG governance across functions to ensure accountability and long-term impact

UPDATES IN ESG RATINGS

Bharat Forge approaches ESG with clarity and intent, recognizing that rating agencies apply distinct methodologies. By aligning our internal practices with these frameworks, we enhanced transparency and elevated the quality of our disclosures. Focused efforts across environmental, social, and governance themes have enabled consistent improvement in external assessments.

To embed ESG into decision-making, a Board-level ESG Committee was constituted to steer the strategy and roadmap. A structured gap analysis, supported by our materiality assessment, identified key focus areas across short- and long-term horizons. Sustainability considerations now inform all major business and investment decisions.

We have published GRI-aligned Sustainability Reports for three consecutive years, with third-party assurance for the latest two editions. Strengthened climate disclosures, supplier assessments, and policy enhancements have further reinforced our commitment to performance-led, stakeholder-aligned ESG practices.

ESG ratings overview

Our ESG performance continues to improve steadily, reflecting our commitment to responsible business practices, transparent disclosures, and strategic action across environmental, social, and governance pillars.

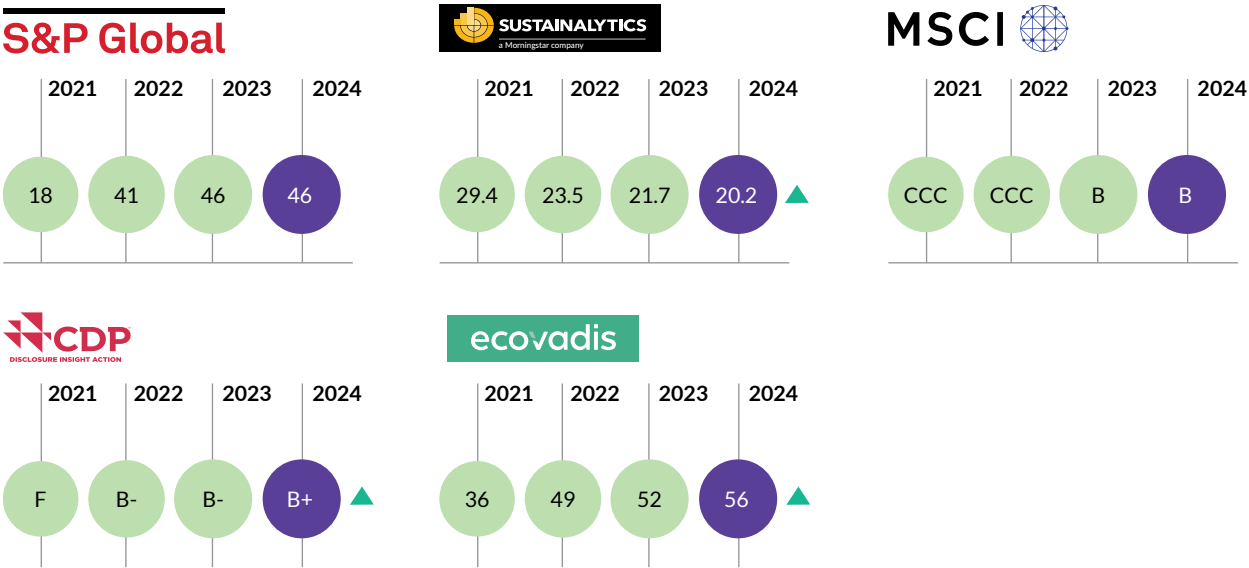
In the S&P Global Corporate Sustainability Assessment, we maintained our score of 46 in 2024, building on significant gains made since 2021 through the formalization of key policies, risk management upgrades, and enhanced supply chain oversight.

Our Sustainalytics ESG Risk Rating improved to 20.2 in 2024, down from 29.4 in 2021, driven by ongoing initiatives in environmental compliance, human capital development, and third-party assured sustainability reporting.

In the MSCI ESG Ratings, we retained our 'B' rating in 2024, reflecting our progress on climate-related disclosures, corporate governance, and data transparency compared to a 'CCC' rating in 2021.

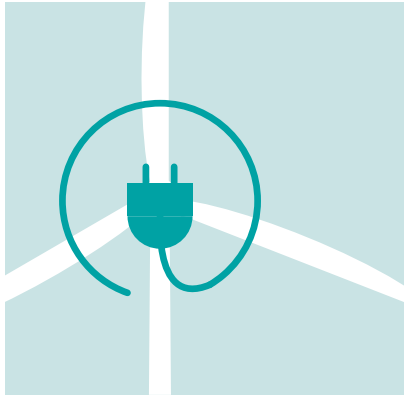
Our CDP Climate Disclosure Rating moved up to 'B+' in 2024, signifying stronger performance in climate risk management, emissions transparency, and progress aligned with the Science Based Targets initiative.

On EcoVadis, we achieved a score of 56 in 2024, continuing our upward trajectory from 36 in 2021. This reflects our efforts to strengthen supplier sustainability, revise codes of conduct, and align procurement with ESG expectations.



ESG GOALS*

Environmental



We strive to protect the environment by improving efficiency and reducing waste.



Improving Resource Efficiency

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



Reducing Emissions & Waste

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

SUSTAINABILITY CONTRIBUTIONS TO UN SDGs



- Progress towards low carbon economy by conversion to cleaner fuels, achieving energy efficiency in operations, and enhancing the share of renewable energy
- Sustenance Audits completed for ISO 50001:2018, ISO 14001:2015, ISO 45001:2018 for all the sites
- Estimated the GHG emissions from operations and identified actions to reduce them further
- Improving the resource efficiency by focusing on reduce, recycle and reuse principle. Increased the use of secondary raw material in the process
- Monitoring and controlling water consumption through the existing water management system. This helps in reducing the freshwater consumption, increasing the use of recycled water and

- would support us in achieving water positivity in the coming years
- Reducing waste generation, disposing them off effectively and moving towards the aim of achieving Zero Waste to Landfill

Social



We strive to nurture our people, business partners and communities by empowering them to shape the future.



Growing Human Capital

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



Giving Back to Communities

- Plant 1 million Trees by 2030
- 100 Green Villages by 2030
- Education & Skill development by 2030



Engaging Business Partners

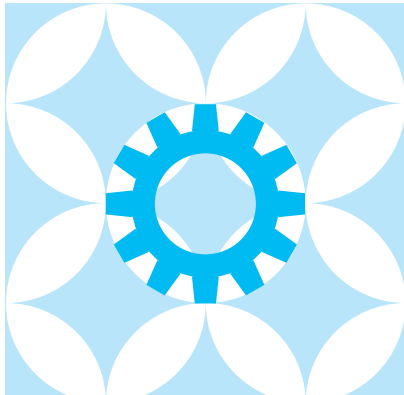
- Sustainability Index >75% by all Critical suppliers by 2030
- 50% RE use by Top suppliers by 2030
- PCF for mainstream products by 2030
- Active engagement with customers on ESG aspects by 2030



- Deployment of best practices towards employee health and safety to reduce workplace incidents
- Train employees on emerging technologies and enable them to understand advanced engineering concepts
- Human Rights due diligence check in the operations to ensure compliance to human rights
- Supplier Sustainability audit conducted, Supplier Sustainability Index (SSI) deployed to evaluate the supplier sustainability performance and site assessments of hazardous waste recyclers were carried out
- Sustained engagement with customers through digital platforms and team visits to deliver on new product development needs
- Undertaking holistic development in 100 villages covering areas of water availability, livelihood opportunities, enhancing healthcare,

- promoting education and creating infrastructure. Six of these villages have been assessed and certified as 'Green Villages' by an external agency
- Undertaken programs on education and skill development for youth, women, and farmers to empower them

Governance



We strive to build an organization which stakeholders can trust by ensuring good governance.



Good Governance

- 100% regulatory compliance
- Effective data privacy management



Compliance to Ethics

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



- Conformance to ethical practices and regulatory requirements with no instances of non-compliance. Maintained our track record of a trusted organization
- Ensured high standards of governance and accountability; Third-party assured BRSR reporting along with the sustainability reports and integrated annual reports
- Driving innovation and technology for good that includes light-weighting of automobile components to make the automobiles fuel efficient, developing e-mobility solutions for cleaner transport and Industry 4.0 led innovative technologies to increase plant productivity
- Implementation of robust cybersecurity practices to ensure protection of customer data and our assets

- Ensuring job creation and economic growth in our operational regions
- Materiality Assessment to review the existing material ESG issues and the ESG Roadmap

*FY2020 is considered as baseline year



Financial Capital

Resilience with wherewithal

Bharat Forge advanced its financial transformation through disciplined capital allocation, strategic acquisitions, and sustained investment in growth platforms. Our approach balances innovation with financial strength, enabling us to expand into high-potential verticals while maintaining a robust balance sheet. With a focus on value creation and risk diversification, we continue to strengthen our core while unlocking long-term shareholder returns.



38.6%

5-year CAGR in
market capitalization

₹37

Total dividend paid
per share in 5 years

PRUDENT CAPITAL ALLOCATION

We signed an agreement to acquire the manufacturing operations and Engineering Design Center of AAM India Manufacturing Corporation Pvt Ltd – an important step in expanding our portfolio of proprietary products. Through recent M&A actions, we have accessed new growth avenues across castings, forgings, and niche technologies.

In parallel, we are revamping the organization internally to capture the next phase of growth. Over the past few years, we have made targeted investments in subsidiaries across defence, EV, industrial castings, and overseas aluminum forging. Several of these capital allocation decisions are now delivering returns, while others are progressing steadily. The Company raised ₹1,650 crore via Qualified Institutional Placement. This capital raise supported debt repayment at our overseas subsidiaries and funded the acquisition of commercial vehicle assets from AAM India Manufacturing Corporation.

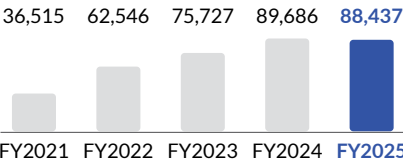
A combination of judicious capital allocation and prudent balance sheet management means our net Debt to Equity was 0.17x as of March 31, 2025.

This liquidity position gives us the flexibility to incubate new initiatives, pursue inorganic opportunities, and manage volatility across sectors.

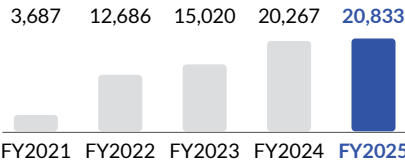
Our business model is designed to temper cyclicity through diversification across revenue streams, which supports better capacity utilization. Higher utilization, in turn, provides positive operating leverage and enhances long-term return on capital.

Our core operations continue to generate sufficient cash flows to fund growth needs. Reflecting this performance, the Board of Directors has recommended a final dividend of 300% for FY2025 – translating strong financial delivery into direct value for our shareholders.

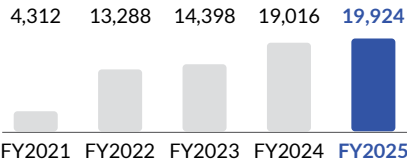
Revenue from Operations (₹ million)



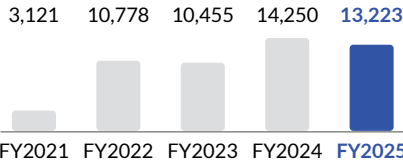
EBIT (₹ million)



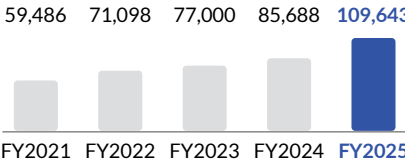
Profit before Tax (₹ million)



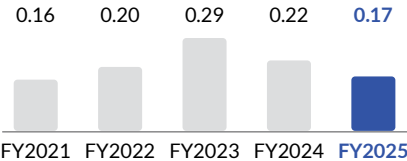
Profit after Tax (₹ million)



Net Worth (₹ million)



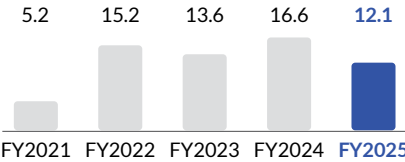
Debt Equity Ratio



ROCE (Net of Cash) (%)

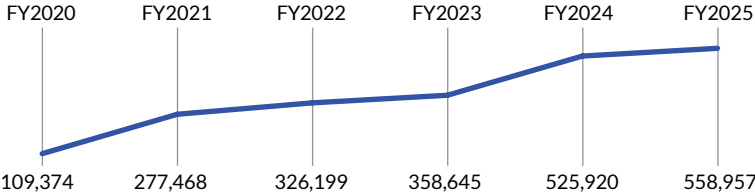


RoNW (%)



VALUE CREATED FOR SHAREHOLDERS

Market Capitalization (₹ million)





Intellectual Capital

Advantage ingrained in intellect

Our intellectual capital is rooted in deep engineering expertise, strong customer insight, and agile organizational systems. These capabilities power our ability to innovate, scale, and lead across sectors. We continue to build on this foundation to drive long-term performance, adaptability, and competitive advantage.

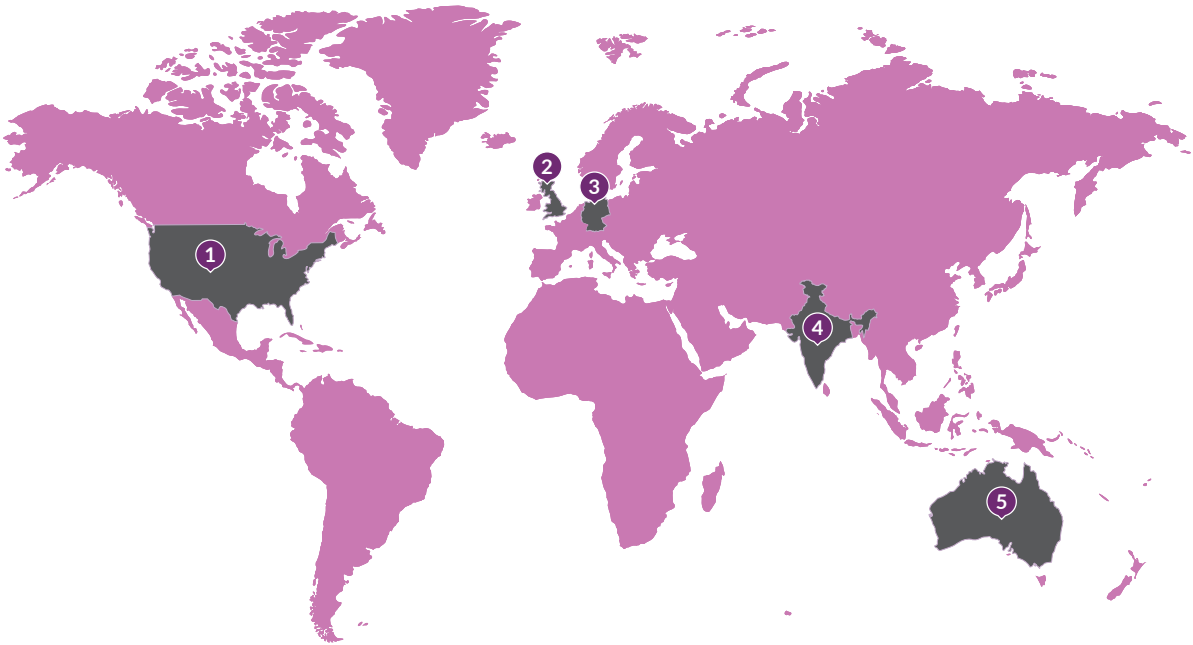


179
R&D employee
strength

139
Total patents
filed till date

57
New products
developed in FY2025

OUR GLOBAL TECHNOLOGY AND INNOVATION ECOSYSTEM



1. North America

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

2. UK

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

3. Germany

- Fraunhofer (Germany)
- RWTH Aachen (Germany)

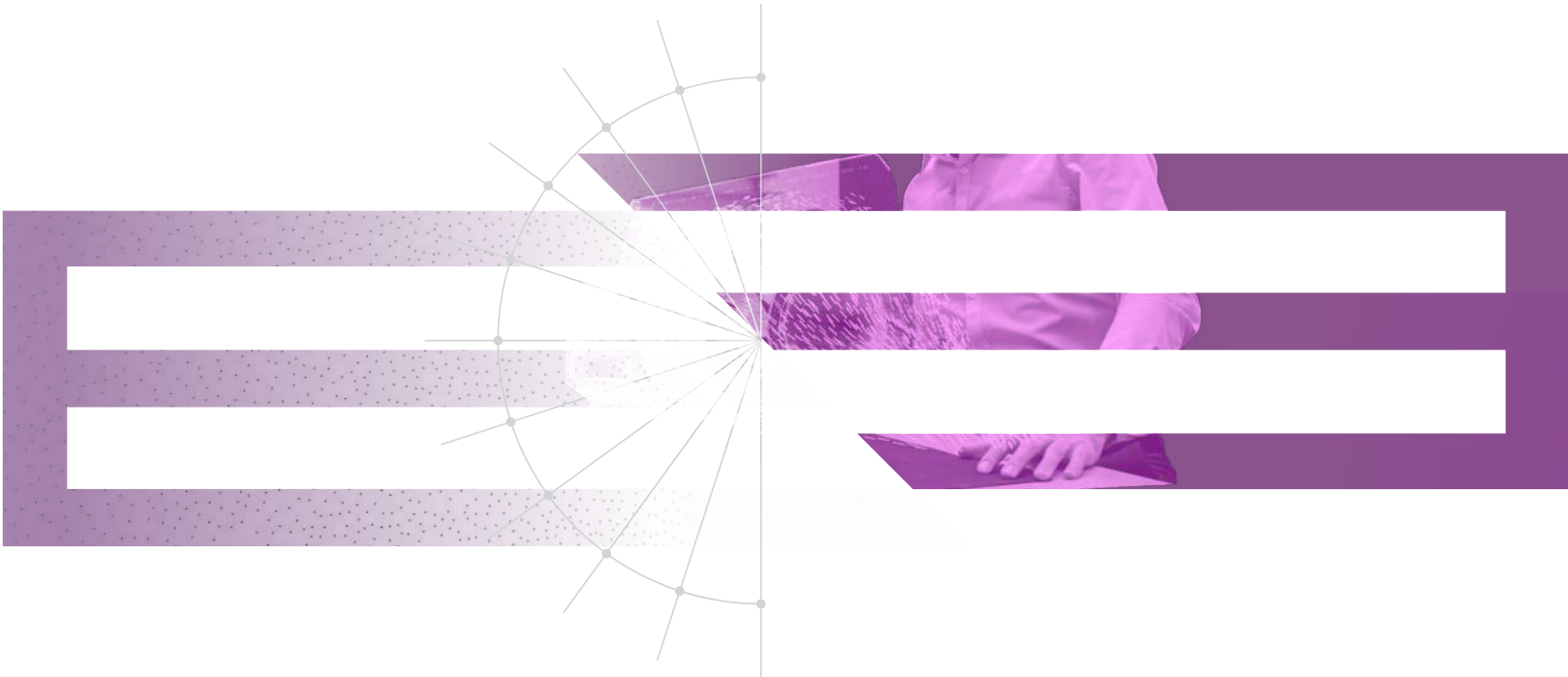
4. India

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

5. Australia

- Deakin University (Australia)

Academic Excellence Institutional Research Innovation Centers



TECHNOLOGICAL EXPERTISE AND INNOVATION

Technology remains core to our growth strategy and operational edge.

In aerospace, we are investing in a new facility for landing gear machining and high-precision ring forgings, supported by long-term customer commitments. This will double our aerospace capacity and strengthen our role in global engine and structure programs.

Our subsidiary - Kalyani Powertrain forayed in the electronic components manufacturing with a state-of-the-art SMT line inaugurated last year. To begin with we are going ahead with opportunities in telecom servers – aligning with India's push for strategic self-reliance. In defence, we have developed nine artillery platforms and a diverse product range across mobility systems and MRO, demonstrating our ability to build advanced, multi-domain solutions.

In the industrial sector, we are one of the few players with the capability to manufacture single-piece heavy components up to 35 tons, a capability embedded with few manufacturers in India.

CUSTOMER AND MARKET KNOWLEDGE

Customer proximity remains a core strength. Our deep relationships enable real-time alignment with client needs, even in volatile markets. We continued to win new orders and deepen penetration in the domestic passenger vehicle segment in FY2025. In the casting business (JSA), strong customer traction reflects growing confidence in our capabilities. We are also seeing increasing interest from North American customers, aided by global supply chain shifts such as the China Plus One trend. Our ability to read these shifts and respond quickly has helped us grow with minimal capex and maintain pricing power through direct customer engagement.

ORGANIZATIONAL CAPABILITY AND EXECUTION STRENGTH

We continue to optimize our operational footprint while enhancing productivity. We are continuously augmenting efficiency at our facilities in India via technological interventions. These initiatives ensure lower down-times and optimum production rates.

OUR R&D INFRASTRUCTURE

Kalyani Centre for Technology and Innovation (KCTI)

- Provides advanced technical training and academic courses to our employees
- It undertakes R&D in metallurgical properties of various metals, optimization of forging processes, value addition and value engineering (VA/VE), development of total systems, co-develop products and processes with Bharat Forge design, dual-shore manufacturing, and full-service supply capabilities
- Supplying high-performance components to global OEMs and Tier I suppliers
- Expertise in both steel and aluminum forgings and castings
- Strong process knowledge and manufacturing excellence across platforms

Kalyani Centre for Manufacturing Innovation (KCMi)

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

Kalyani Mobility

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



Manufactured Capital

Assets that define our scale

Manufactured capital forms the backbone of Bharat Forge's growth and competitiveness. In FY2025, we strengthened our production base through disciplined capex, strategic asset expansion, and high-utility investments. Our focus remains on building advanced capacity in India, optimizing global operations, and driving capital efficiency across high-growth verticals. Each initiative is aligned to enhance delivery precision, enable product diversification, and improve long-term returns.



₹750 crore
Capex deployed for FY2025
in Indian Operations
(includes Indian subsidiaries)

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

STRATEGIC CAPITAL DEPLOYMENT

We continued to invest with discipline, prioritizing India-led expansion through greenfield and inorganic routes. New initiatives in EV and defence are expected to begin contributing from FY2026. Our capex strategy balances growth momentum with capital efficiency.

MANUFACTURING EXPANSION

We progressed on multiple fronts – consolidating defence production at KSSL, expanding aerospace capacity through a pioneering Indo-European partnership, and scaling our ferrous casting business under the Europe Plus One and China Plus One tailwind.

CAPACITY UTILIZATION

We are driving volume growth through improved utilization of existing capacity in India. However, in line with individual sector prospects we are investing/ augmenting capacity in India selectively to capture growth. As of early 2025, overseas aluminum operations

reached 60-65% utilization in Europe and 60% in the United States. Our United States aluminum operations are gradually showing improvement across all parameters. Our diversified business mix across defence, aerospace, industrials, and castings de-risks growth and improves asset utilization thereby strengthening our return ratios.

OPERATIONAL AGILITY

Our response to market volatility is grounded in a strong balance sheet, customer alignment, and a lean cost structure. At our Mundhwa & Baramati facilities, modernization is underway, through increased use of technology in operations. Our strategy to augment efficiency in core forging operations ensures an ideal output level for the capital invested. The upcoming KSSL facility near Pune will consolidate defence operations under one roof, creating scale and ensuring readiness for future demand. Our capital strategy is built to sustain growth, absorb shocks, and position us as the most competitive supplier across cycles.



Human Capital

People first. Always

We continue to build a workforce that is agile, capable, and aligned with our long-term business objectives. Through targeted investments in digital tools, leadership development, skilling, and diversity, we are reinforcing our human capital as a strategic enabler of transformation.



PEOPLE DEVELOPMENT AND INCLUSION

During the year, we enhanced our performance management framework through SAP SuccessFactors, embedding SMART goals and structured appraisals aligned to the Balanced Scorecard. Leadership capability building remained a key priority, supported by targeted development journeys and internal talent mobility. A robust technical and behavioral skill matrix guided upskilling efforts across roles. We also advanced our inclusion agenda through initiatives that promote diversity, employee well-being, and equitable workplace practices.

WORKFORCE STABILITY

We sustained harmonious industrial relations across locations, enabling uninterrupted operations. Strategic workforce optimization initiatives, including realignment and productivity-focused transitions, were implemented to support evolving business needs. These actions reflect our commitment to building a resilient organization – one that balances structural efficiency with a people-first approach to long-term performance.

21.92

Average man-hours of training per employee

2.6%

Female representation, up from 1.6%



Social and Relationship Capital

Creating value through connection

Our social and relationship capital reflects the strength of our partnerships – with customers, communities, suppliers, and society at large. We engage deeply to understand evolving expectations and co-create solutions that deliver long-term value. From empowering rural youth and women to supporting sustainable sourcing and customer trust, we take purposeful action that reinforces our license to operate and grow. Each initiative echoes our commitment to inclusive, resilient, and responsible development.



5,785

Children supported through non-formal education in 130 slum communities

2,500

Students reached through Nisarranga environmental magazine in Pune and Satara

52,000 meters

Underground sanitation gutters constructed

6,046

Women benefited from cancer screening camps

32

Primary Health Care Centers upgraded

3,790

Women empowered through training, entrepreneurship, and access to resources

CUSTOMER FOCUS

Customer Engagement
We see ourselves as a solutions-driven engineering partner. Our engagement model is built on continuous dialogue, enabling us to identify unmet needs and deliver tailored, first-time-right solutions. By consistently investing ahead of the curve and building scalable capacities, we reinforce customer trust and ensure timely, value-driven delivery across every engagement.

COMMUNITY ENGAGEMENT

Village Development
We are advancing integrated rural transformation with a strong focus on water security, clean energy, and environmental sustainability in drought-prone regions. Our interventions include bund construction, river desilting, pipeline installations, solar infrastructure, and decentralized waste management. These have enabled the harvesting of over 3,126 TCM of water, installation of 937 kW of solar power, and prevention of 483.3 tons of kitchen waste through composting. Over 344,574 trees have been planted to restore local ecology. The 'Nisarranga' initiative, in collaboration with Paramount Digicom, is nurturing environmental awareness among 2,500 schoolchildren in rural Maharashtra. Recognition by the IGBC and national honors such as the Green Champion Award and CSR Times Gold Award affirm our long-term impact in building climate-resilient village ecosystems.

Skill Development
We are equipping youth from underserved geographies with next-generation skills in robotics, AI, IoT, and data analytics. Through our Centers of Excellence and partnerships with ITIs and schools, we provide hands-on learning platforms and scholarships that foster inclusive innovation. Our programs are designed to open new pathways, especially for young women, into future-ready employment. To date, we have covered 36,545 students, with over 60% of beneficiaries being young women, reinforcing our commitment to inclusive innovation and gender equity.

Responsible Sourcing
We remain committed to sourcing practices that balance operational efficiency with stakeholder responsibility. All raw materials are procured from client-approved vendors at competitive rates, with ESG considerations embedded in our procurement processes. Notably, secondary materials now comprise 40% of our overall raw material mix – supporting our shift toward a lower-carbon supply chain.

Healthcare
We are strengthening rural healthcare through infrastructure development and preventive care access. Key initiatives include the construction of 52,000 meters of underground sanitation pipelines, establishment of seven telemedicine centers, and cancer screening camps benefiting 6,046 women. We have also enhanced facilities across 32 Primary Health Centers, ensuring that quality medical services reach over 25,000 individuals in remote and underserved regions.

Women Empowerment
We view women as agents of long-term community transformation. Our initiatives provide vocational training, entrepreneurship support, and access to essential services – enabling 3,790 women to build sustainable livelihoods. We aim to empower at least 700 more women in 2025, reinforcing our vision for equitable and resilient rural progress.

Education
We are committed to expanding learning opportunities for children in marginalized communities. Over 5,785 children across 130 urban slum communities have benefited from non-formal education programs, while 46 government schools have received infrastructure upgrades to enhance the quality of learning. Our 'Nisarranga' program promotes environmental education among rural students from Grades 1 to 7, encouraging early responsibility and ecological awareness.



Natural Capital

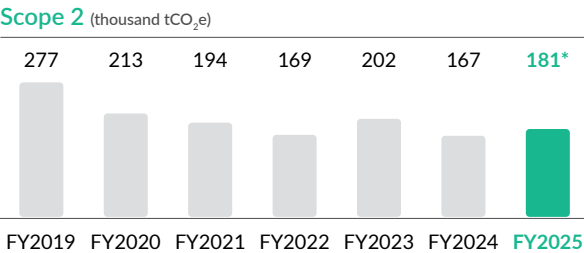
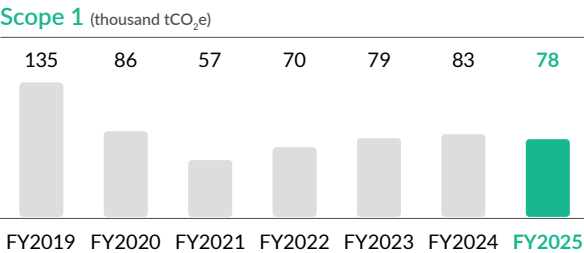
Sustainability as a practice

Sustainability is embedded in our culture and integrated into every aspect of our operations. We are systematically transitioning to cleaner technologies, increasing the share of green energy, enhancing efficiency, and adopting circular practices. Our long-term environmental strategy focuses on resource optimization and carbon reduction, aimed at ensuring a planet-positive future.



REDUCING GREENHOUSE EMISSIONS

We are steadily advancing towards our GHG reduction goals with near-term science-based targets (SBTi) in place – to cut Scope 1, 2, and 3 emissions by 54.6% by FY2033 from the FY2020 baseline. In FY2025, 37.16% of our electricity consumption was from renewables, including 116,055 MWh from solar and 31,388 MWh from wind energy. The shift from oil to natural gas in furnace operations reduced Scope 1 emissions. Energy efficiency upgrades – including induction billet heaters, motors, and idle time optimization – lowered consumption by 3,343 MWh and avoided 2,430 tons of CO₂ emissions. A detailed climate risk assessment was completed across all plants.



*Increment in Scope 2 emission is observed in FY2025 due to reduction in renewable energy generation and change in the emission factor considered for the estimation (CEA Version 20.0)

ENSURING ZERO LIQUID DISCHARGE (ZLD)

We aim to become water positive by 2030. All facilities operate on a Zero Liquid Discharge (ZLD) model, recycling treated water through Effluent and Sewage Treatment Plants. Real-time consumption is monitored via IoT-enabled digital meters. We completed a water risk assessment and identified site-specific actions to enhance resource resilience and reduce freshwater dependency.

WASTE MANAGEMENT

In FY2025, 99.18% of waste generated was recycled. We recycle all metal scrap, process food and garden waste via composters, and use the resulting bio-manure in landscaping. Waste oil and ETP sludge disposal methods have been reconfigured to support our Zero Waste to Landfill target by 2030. All hazardous waste is managed in compliance with MPCB norms. A double materiality assessment was completed and the ESG roadmap updated. Our ISO certifications across sites reinforce performance in energy, environment, and safety management.

	FY2024	FY2025	Change (%)
Energy Consumption (GJ)	2,717,292	2,697,120	0.74 ▼
Scope 1 & 2 Emission Intensity (tCO ₂ e / MT production)	0.918	0.998	8.71 ▲
Scope 1 & 2 GHG Emission (Thousand tons CO ₂ e)	249	259	4.02 ▲
% Renewable Energy of Total Electricity Consumed	39.45%	37.16%	2.29 ▼
Non-Hazardous Waste (Kg per MT of production)	390.46	405.95	3.97 ▲
Hazardous Waste (Kg per MT of Production)	4.32	5.52	27.73 ▲
Specific Water consumption (KL/MT Production)	4.15	3.81	8.19 ▼
% Recycle of Water of Total Water Consumption	33.17%	40.84%	7.67 ▲
Wastewater Discharge (m ³ /day)	0	0	-
LTIFR (Lost Time Injury Frequency Rate)	0.92	0.44	52.00 ▼
Use of Secondary Raw Material	40%	41%	1.00 ▲

GOVERNANCE

LED BY PRINCIPLES

We are guided by a strong governance philosophy that prioritizes integrity, transparency, and accountability. These principles shape our culture, ensure compliance, and build long-term trust with all stakeholders, reinforcing sustained value creation across the organization.

11

Board of Directors

2

Female Directors

BOARD COMPOSITION



- Independent Directors **54.55%**
- Executive Directors **36.36%**
- Non-Independent Non-Executive Director **9.09%**

ETHICS AND TRANSPARENCY

Our governance framework goes beyond statutory compliance to reflect our core values of fairness, accountability, and ethical conduct. The Board leads by example, upholding these principles through a robust Code of Conduct and policies on insider trading, whistleblower protection, anti-bribery, anti-corruption, and harassment prevention. We voluntarily publish Sustainability and Integrated Reports aligned with IIRC and GRI frameworks and maintain a dedicated ESG page for transparent stakeholder communication.

DATA SECURITY

We proactively manage data protection and cybersecurity through layered IT defences, early-warning systems, and structured response protocols. Regular security audits and compliance assessments ensure evolving threats are met with robust mitigation strategies. Our ongoing improvements to the data compliance system underscore our commitment to responsible digital stewardship.

BOARD OF DIRECTORS



- 1

Mr. B. P. Kalyani

Executive Director
- 2

Mr. Dipak B. Mane

Independent Director

4

6
- 3

Mr. Ashish Bharat Ram

Non-Executive Non-Independent Director

4

5
- 4

Mr. Amit B. Kalyani

Vice-Chairman & Joint Managing Director

2

3

5

6
- 5

Mr. Ravi Kapoor

Independent Director

1

6
- 6

Mr. Anand S. Pathak

Independent Director

2

3
- 7

Mr. S. E. Tandale

Executive Director
- 8

Ms. Rashmi Joshi

Independent Director

1

4

5
- 9

Mr. B. N. Kalyani

Chairman & Managing Director

2

3

5
- 10

Mr. K. B. S. Anand

Independent Director

1

2
- 11

Ms. Sonia Singh

Independent Director

3

4

6

- Board Committees
1.

Audit Committee
2.

CSR Committee
3.

Stakeholder Relationship Committee
4.

Nomination & Remuneration Committee
5.

Risk Management Committee
6.

Environmental, Social & Governance Committee
- Chairperson of the Committee
- Member of the Committee

➔ Read more on page 95 onwards of the Corporate Governance section of this report.

RISK MANAGEMENT

RESILIENCE BUILT IN

We proactively identify, assess, and address risks that could affect our performance, reputation, and long-term value creation. Our integrated risk framework spans economic, operational, technological, environmental, and compliance dimensions – ensuring agile responses in a complex and evolving global landscape.

R1 ECONOMIC RISK A slowdown in the global macroeconomic environment may impact our business and revenues.	Mitigation - Diversified operations across geographies and industries reduce single-sector exposure - Strong overseas presence through subsidiaries in North America and Europe - Ongoing expansion in aluminum forgings aligned with light-weighting trends in the auto industry - Multi-sector footprint spanning automotive, defence, oil & gas, mining, power, aerospace, and e-mobility - Defence growth supported by indigenization; e-mobility vertical readying for commercialization	Capitals Impacted 
R2 RAW MATERIAL RISK Inability to secure key raw materials at competitive rates may impact operations and profitability.	Mitigation - Secure steel supply through group company at competitive rates - Diversified material base including steel, aluminum, titanium - In-house engineered processes ensure efficient usage with minimum scrap - Price pass-through clauses safeguard margins - Dynamic monitoring of global supply chain disruptions	Capitals Impacted 

R3

FOREIGN EXCHANGE RISK

Export-linked revenue exposure to currency fluctuations may impact profitability.

Mitigation - Rolling forward contracts to hedge currency risks - Natural hedge through export revenues exceeding foreign currency borrowings	Capitals Impacted 
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R4

TECHNOLOGY RISK

Risk of obsolescence in a rapidly evolving technological landscape

Mitigation - Early investments in e-mobility and Light-weighting technologies - In-house technological strengths in defence and aerospace - Adoption of IoT, Industry 4.0, digital thread, RPA, and advanced data analytics - Scalable implementation of SAP ERP and automation tools	Capitals Impacted 
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R5

FUNDING RISK

Inadequate access to capital may affect growth and profitability

Mitigation - Strong balance sheet with robust cash position - Reduced debt through prudent capex and working capital controls - Healthy net debt/equity and net debt/EBITDA ratios enable easy fund access	Capitals Impacted 
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R6

TALENT RISK

Inability to attract and retain talent may impact operations

Mitigation - Meritocratic, employee-centric culture with structured career development - Regular health, safety, engagement, and future-ready skills training - Focus on new talent acquisition and performance-based recognition	Capitals Impacted 
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R7

CYBERSECURITY RISK

Increased digitization raises threat of cyberattacks and data breaches

Mitigation - ISO 27001:2022 compliant cybersecurity framework - Real-time threat detection via next-gen tools and multi-layer security - Regular third-party validations and VPAT assessments - Continuous employee awareness and training programs	Capitals Impacted 
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CORPORATE INFORMATION

BANKERS

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

STATUTORY AUDITORS

BSR & Co LLP
Chartered Accountants

CHIEF FINANCIAL OFFICER

Mr. Kedar Dixit

COMPANY SECRETARY

Ms. Tejaswini Chaudhari

REGISTERED OFFICE

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

Management Discussion & Analysis (MD&A)

ECONOMIC REVIEW

Global Economy

Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through 2024. However, the landscape has changed as governments around the world reorder policy priorities. A series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal United States tariffs on April 2, 2025 and bringing effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on global economic activity and the outlook.

Outlook

The IMF projects global GDP growth at 2.8% in CY 2025 and 3% in CY 2026, supported by easing inflation and sustained demand in emerging markets. Intensifying downside risks dominate the outlook. Ratcheting up a trade war, along with even more elevated trade policy uncertainty, could further reduce near- and long-term growth, erode policy buffers and weaken resilience to future shocks.

(Source: IMF World Economic Outlook April 2025)

Indian Economy

India recorded a GDP growth of 6.5% in FY2025, lower than the 8.2% growth achieved in FY2024, according to IMF estimates. The nation stands out as a bright spot amid global economic challenges and geopolitical upheavals. Growth is being driven by rapid infrastructure development, a strong push for manufacturing, supportive policy reforms, and resilient consumer confidence. Looking ahead, the Indian economy is expected to grow at 6.6% in FY2026 and 6.7% in FY2027, according to forecasts by the United Nations (UN). Continued investments in infrastructure development and digital transformation, favorable monsoon, higher rural consumption, and easing inflation will accelerate growth.

Outlook

The Union Budget 2025-26 reinforces India's commitment to sustainable development, aligning with the Viksit Bharat@2047 vision. Infrastructure expansion remains a priority, with an increased allocation of ₹11.2 lakh crore, up from ₹11.1 lakh crore in the previous year, propelling the Make in India initiative. With a strong focus on tax relief, fiscal consolidation, and strategic sectoral investments, the budget aims to stimulate growth, boost consumption, and strengthen social welfare.

(Source: Union Budget 2025-26 Highlights)

BUSINESS ENVIRONMENT

Automobile Business

Global Automotive Industry

Overview

The global automotive industry expanded in CY 2024, albeit on a relatively limited scale. As per S&P Global Mobility estimates, global light vehicle sales reached 88.2 million units in CY 2024, a 1.7% increase from CY 2023, driven by ongoing inventory restocking as supply chains stabilize. The European automotive market recorded the slowest growth among major markets in CY 2024, increasing by 0.9%, with the EU market growing by 0.8%. Looking ahead to CY 2025, Western Europe is expected to continue its subdued performance, with a projected growth of 1%. While reductions in policy interest rates and new EV model launches may provide some support, pressures on CO₂ targets and reduced incentive programs will likely temper overall market expansion.

The United States auto market experienced a 2.2% increase in light vehicle sales in CY 2024, reaching 15.9 million units. However, growth in CY 2025 is expected to be more modest, at 1.5%, amid policy uncertainties under the new administration. While interest rates are expected to decline slightly, vehicle pricing remains high, and shifting trade policies, particularly around tariffs, could impact sales. China produced 31.3 million and sold 31.4 million light-duty vehicles in CY 2024, reflecting a growth of 3.7% and 4.5%, respectively. The market remains supported by government incentives, competitive pricing of locally manufactured EVs, and robust NEV growth.

China continues to outpace the rest of the world in electrification, with EVs comprising over 40% of total new car sales in CY 2024. The country remains aggressive in pushing EV subsidies to boost consumer demand, leveraging its well-developed EV supply chain. Europe faced stagnation in electrification in CY 2024 compared to CY 2023, as several countries scaled back fiscal support. With over 60% of global EV sales originating from China, the global EV market share is anticipated to reach 25% in CY 2025, with battery electric vehicles (BEVs) accounting for 17%.

Outlook

The global automotive industry enters CY 2025 with cautious optimism, with S&P Global Mobility forecasting 89.6 million new vehicle sales, reflecting a 1.7% growth. Key factors such as broader economic uncertainties, changing regulatory landscapes, and evolving consumer preferences will shape market dynamics. Despite policy support uncertainty, BEVs remain a major growth sector. S&P Global Mobility projects global BEV sales to reach

15.1 million units in CY 2025, accounting for 16.7% of total light vehicle sales. While electrification continues its upward trajectory, the rate of adoption and the viability of BEV strategies will depend heavily on government policies and infrastructure development.

The global automotive industry enters CY 2025 with cautious optimism, with S&P Global Mobility forecasting 89.6 million new vehicle sales, reflecting a 1.7% growth

Company Review of the Exports Auto Market

Commercial Vehicles (CV)

The Commercial Vehicles business bore the brunt of a weak economic recovery in Europe. As the economic recovery remained anemic, demand for inland transport in Europe was muted. Post a tough year in FY2025 for our European CV exports, we expect the business to remain stable in FY2026. However, a well-directed capital expenditure push from major European economies can spur some demand for heavy-duty trucks in Europe, thereby aiding recovery. In contrast, our North American business saw moderate growth despite flattish production volumes. FY2025 revenue from the CV business was ₹20,152 million registering slight degrowth of 4.6% YoY. The hallmark of our CV business growth has been market share gains in our core geographies of North America and Europe. We have always prioritized safety-critical components over other opportunities within the CV segment. This approach has made us a critical supplier to major OEMs and Tier I suppliers across our major end markets. Over the years, we have increased our value-add for all the components we supply. This has helped us increase our content per vehicle in value terms.

In contrast, our North American business saw moderate growth despite flattish production volumes.

From a policy perspective, a pause to the emission norms change in North America is likely to keep demand on an even keel in CY 2025 and CY 2026 instead of a pre-buy in CY 2025 and a dip thereafter. However, the unpredictability of the United States' trade policy will create challenges in the marketplace. We expect the policy in its current form to build inflationary pressures in the United States and impact overall demand. In the event of a drop in consumption demand, transport cargo growth may be impacted. This will lead to a decline in demand for Commercial vehicles in North America.

Passenger Vehicles (PV)

Post the stupendous growth of the PV export business in FY2024, the segment saw some degrowth in FY2025 with annual revenue of ₹11,167 million, implying a 12% degrowth compared to last year. A combination of factors, like slower demand for platforms, plateauing of demand in general in some geographies for a brief period, drove the weaker performance.

Over the last 8 years, PV exports have recorded a 21.9% Compounded Annual growth per annum in revenue. Seen in the perspective of total exports, PV exports have grown from 12% to 24% of total exports over FY2017-FY2025. This has made our growth more broad-based and improved capacity utilization. The strong performance has been a combination of deepening product portfolio, increasing value-add, and diversifying across markets and OEMs. As a testament to the value-add, a large proportion of our components are shipped in fully machined condition.

As outlined in the earlier edition, we have adopted the Last-Man standing strategy for the PV segment. This implies our willingness to supply engine components to all PV OEMs by the time the Last ICE gets built. Our strategy is rooted in the belief that the EV transition will be gradual and provide ample scope for ICE & hybrid technology to compete in markets where development of charging infrastructure and affordability are key issues. In addition to these market dynamics, our strong balance sheet provides sufficient headroom to invest in capacity if needed. We believe our financial strength and our reputation as a reliable supplier will be construed positively by existing OEM customers as well as potential new ones. In the medium-long term, our target would be to diversify across OEMs, geographies and increase our market share with our existing and new customers.

21.9%
PV export CAGR over FY2017-FY2025

Indian Automotive Industry

Overview

The Indian auto industry sales grew by 7.3% in FY2025. Within the industry, the export basket registered a healthy 19% growth driven by passenger car and two-wheeler exports to Latin America and Africa. The domestic market saw strong sales momentum as infrastructure investments and capex thrust by the government continued post the general election.

Despite a high base, passenger vehicles registered a 2% sales growth, resulting in sales of 4.3 million units. Utility vehicles continue to dominate the industry landscape with a 500 bps increase in share to reach 65% of total sales. New model launches with better features and modern design resonated with customer aspirations. Strategic discounting and promotional offers helped in sustaining volume growth.

Commercial vehicles had a tough start to the year as infrastructure investments slowed in the H1 FY2025 due to ongoing elections. However, a strong recovery in Q4 helped the industry close the year with a modest 1.2% decline in volumes. Fleet operators continued with their preference for higher tonnage trucks as better connectivity and augmentation in the expressway network curtailed logistics costs.

Indications of a good monsoon in FY2026, income tax rate cuts, and stable macro-economic conditions augur well for vehicle demand in the upcoming year.

Outlook

The Indian automotive industry is poised for a transformative 2025, marked by growth in the light & medium commercial vehicles segment, steady momentum in two-wheelers, and an expanding EV sector. Fundamental factors such as infrastructure investment, strong replacement demand, and the expansion of core industries like coal, steel, and cement are expected to drive the sector's growth. The government's capital expenditure push, backed by robust tax collections and manageable fiscal deficits, will further stimulate demand. Increased allocation of ₹11.2 lakh crore for infrastructure development, particularly in roads and transportation, coupled with agricultural growth, will fuel demand for commercial vehicles.

The growing electrification trend underscores the necessity of enhancing charging infrastructure to support the transition to electric vehicles (EVs). While electric two-wheelers and three-wheelers are expected to witness rapid adoption, electric cars remain a niche segment due to challenges like high upfront costs and charging infrastructure constraints.

Aligned with the Viksit Bharat vision and building on past reforms, the Union Budget 2025-26 enforced several measures to strengthen India's automotive sector. The budget aims to promote a greener automotive ecosystem, offering attractive incentives to propel domestic manufacturing and green mobility. The budget brings a significant boost for manufacturing, with an allocation of ₹7,000 crore for various central and state schemes, aimed at supporting the auto industry.

Increased allocation of ₹11.2 lakh crore for infrastructure development, particularly in roads and transportation, coupled with agricultural growth, will fuel demand for commercial vehicles.

Company Review of the Domestic Auto Market Commercial Vehicles

The Domestic Commercial vehicles division recorded a turnover of ₹9,627 million in FY2025, which was 6.9% lower YoY. The drop was driven by slower capex in the first half of the fiscal year due to the general elections. However, a pick-up in capex spending by the government in the second half helped stimulate demand and drove our CV business revenue higher in the last quarter. As witnessed over the last few years, the share of heavier trucks like tractor-trailer and tippers has increased substantially. New generation platform launches by OEMs have created opportunities for suppliers like us to participate in the market growth.

Passenger Vehicles

After a challenging FY2024, the domestic passenger vehicles business witnessed robust growth in FY2025. Revenue rose by 20.9% to reach ₹3,622 million. The growth was driven by an array of factors – new business wins, market share gains and higher volumes at our OEM clients. The stellar performance was a function of sustained efforts to target newer components for ICE engine vehicles. Our efforts to broaden our portfolio yielded positive outcomes. In FY2026, we expect the growth levels to gravitate to the underlying market.

₹3,622 million
turnover of the Domestic Commercial vehicles
division in FY2025

Utility vehicles now account for almost 2/3rd of the overall market sales. We expect this trend to create opportunities for us in the medium term.

INDUSTRIAL BUSINESS

The government's continued focus on strengthening physical and digital infrastructure unlocks significant opportunities for the industrial sector. With a massive capital outlay of ₹11.2 lakh crore, infrastructure development is set to gain momentum, acting as a key driver of growth. The construction sector is projected to expand by 8.6% in FY2025, supported by higher infrastructure projects, rapid urbanization, and increasing investments in housing and industrial developments. This sustained momentum reinforces the sector's role as a cornerstone of India's economic expansion.

Company Review of the Industrial Segment

Bharat Forge's industrial exports stood strong despite a weak performance in some of our end-markets. Our business supplies components and some assemblies across a range of sectors like construction & mining, aerospace, oil & gas, steel, cement, sugar, railways and capital goods. Our strategy in the industrial segment is driven by diversification. This ensures individual sector volatilities do not cloud the outlook of the entire industrial division. To illustrate the point, aerospace has grown from 3% of Industrial Export topline in FY2019 to 14% in the current year. We expect this segment to post a strong performance over the next 4-5 years.

The oil & gas business grew in FY2025 post the challenges of inventory correction and technology change in FY2024. Our endeavor is to expand the product bouquet gradually and increase our share in the fracking industry in North America. The expansion will be a combination of increasing our value-add as well as augmenting our product range. Both these changes should play out over the next 2-3 years. In FY2026, we expect this segment to register flat to slightly positive growth. Construction & Mining posted a sluggish performance due to inventory pile up in the supply chain. We expect this to gradually get corrected and come back to steady growth.

The domestic side of industrial business saw demand for heavy-horse power engines grow at a robust pace. Driven by increased needs for standby power from data centers, this segment reported positive performance. After a sluggish year in FY2024, agriculture segment recorded positive performance driven by strong growth in rural India. We expect this segment's performance to be in line with Tractor OEM growth.

JS Auto Cast (JSA)

Recognizing the vast potential in India's industrial ferrous casting sector, Bharat Forge made a strategic move in FY2023 by acquiring JS Auto Cast (JSA). Leveraging its deep metallurgical expertise and forging experience, this acquisition marked Bharat Forge's entry into the ferrous castings space – unlocking opportunities across wind energy, hydraulics, construction, mining, and more.

JSA enhanced its operational capacity, increasing its liquid metal output to 130,000 MT per annum. Further, the Company has enhanced its machining capacity with additional CNC Machines, which include dedicated machining cells for high volume products. JSA has dedicated machines for new product development to fasten the development activities, which is a benchmark in the casting industry.

FY2025 saw organic growth across the board, with revenues reaching ₹697 crore and an EBITDA margin of 14.9% which clearly exhibits JSA's ability to deliver strong YoY growth. JSA has a diversified customer base, reducing dependency on any single industrial sector or customer. The revenue split between domestic and export markets is also more balanced.

Looking ahead, with the opportunities available in the market, JS Auto Cast is set to significantly scale up its foundry and machining capabilities to meet the growing demand for fully machined castings. The Company is driving several initiatives across productivity improvements, value addition, operational efficiency, capacity expansion, and new product development – all aimed at building a stronger future.

JS Auto Cast is set to significantly scale up its foundry and machining capabilities to meet the growing demand for fully machined castings.

Overseas Business

The overseas business had a tough year in FY2025. European aluminum business showed improvement in pricing to reflect the higher cost of energy and manpower. Better realization per piece in Europe was offset by a slight decline in utilization rates in the aluminum business. In general, a weak consumer sentiment across Western Europe impacted demand, resulting in both the steel forging and the aluminum forging business facing negative operating leverage.

On the contrary, the United States business showed progressive reduction in operational losses across quarters, with the final quarter of the year recording a small EBITDA profit. Our continued effort towards improving operational efficiency in the United States is gradually yielding success. Our next frontier would be to sustain the momentum and commission the second phase of our aluminum forging unit in the US by H2 FY2026.

Both our European and the United States units cater to the local needs of their respective OEM customers and have limited export exposure. Given the limited cross-border trade these businesses engage in, we estimate the direct impact from the global trade tensions to be marginal in the short run. However, if the global trade policy remains rigid for a prolonged period, inflation may inch up, impacting discretionary spend. This is likely to hit the underlying demand and our business outlook.

Defence Business

India's defence sector has made unprecedented strides over the past decade, driven by a strong policy push towards self-reliance and domestic manufacturing. Central to this is the expansion of India's defence manufacturing industry, driven by the Make in India initiative and supportive policy reforms. This shift towards domestic production is aligned with India's Atmanirbharta (self-reliance) vision, positioning the nation as an emerging hub for advanced military technology and equipment. The Union Budget 2025-26 has placed a significant emphasis on defence modernization and indigenous manufacturing, with an increased allocation of ₹6.81 lakh crore, marking a 9.5% increase over the previous year. The total modernization budget, including capital outlay, stores, repairs, refits, and infrastructure development, stands at ₹2.66 lakh crore.

Defence exports surged from ₹21,083 crore in FY2024 to ₹23,622 crore in FY2025, marking a significant rise in India's global defence footprint. As the nation aims for ₹3 lakh crore in defence production and ₹50,000 crore in exports by 2029, these achievements highlight India's emergence as a reliable defence partner worldwide. India is poised to emerge as a key global defence manufacturer by leveraging innovation, strategic partnerships, and indigenous capabilities.

Through our product development initiatives, we aim to insulate our revenue stream from any potential cyclicity and ensure steady returns for the business over the next 3-4 years.

FY2025 was a watershed year for Bharat Forge's defence business. Your Company received its biggest ever defence order worth nearly ₹4,000 crore for the supply of 184 ATAGS platforms. This is indeed a big moment for the private defence industry in India, where a product designed and developed indigenously involves the private sector as a production partner. In the year gone by, our wholly-owned subsidiary Kalyani Strategic Systems Ltd (KSSL) acquired a 25% stake in Italian design company EdgeLab SpA. EdgeLab specializes in the design and manufacture of Autonomous Underwater Vehicles.

Our product strategy follows a solutions provider approach where development priorities are determined basis global requirements as well as potential IP creation inside India. We aim to house the entire intellectual property inside the Bharat Forge Group. This grants us a free hand to market our products in many geographies subject to Government of India approvals. Fostered by a culture of continuous product evolution, we have multiple products in various stages of their development life cycle. KSSL's new state-of-the-art manufacturing facility spread over 400,000 square feet at Jejuri near Pune will commence operations in H1 FY2026. Our capacity to manufacture artillery guns, vehicles and other defence products would receive a significant boost once this plant comes online.

Our defence portfolio spans across land systems – artillery guns, protected vehicles, small arms, consumables and naval systems – underwater autonomous platforms for mine detection as well as underwater vehicles for crew training in anti-submarine warfare. In the next 2-3 years, we aim to have a healthy mix of short and long life cycle products across land and naval, ensuring a faster time from product development to revenue generation. Our portfolio is well structured to cater for war as well as peace times needs of our customers.

Through our product development initiatives, we aim to insulate our revenue stream from any potential cyclicity and ensure steady returns for the business over the next 3-4 years.

Aerospace Business

FY2025 marked significant growth for the aerospace business, with notable achievements in customer acquisition, product development, and technological advancements that have further strengthened the division's market position and capabilities. The business focuses on the aero-frame, landing gear and critical engine components.

During FY2025, customers recognized Bharat Forge for zero-defect deliveries of critical rotating engine components. Building on this success, the Company secured new contracts for critical engine components with global customers, including the supply of rings manufactured from superalloys. This achievement demonstrates the Company's growing capability in advanced metallurgical applications.

A significant milestone was achieved with the AS9100D certification of the Company's Turbomachinery Assembly and Design facility, validating the quality management systems and processes to international aerospace standards. This certification enhances customer confidence and opens doors to new business opportunities with tier-1 aerospace manufacturers.

The division successfully rolled out a comprehensive range of fully tested Micro Jet Engines specifically designed for UAV applications. This product launch positions the Company at the forefront of the rapidly growing unmanned aerial vehicle market, addressing both civilian and defence applications.

Additionally, the Company has developed robust MRO (Maintenance, Repair, and Overhaul) capabilities for turbomachinery equipment serving defence, aerospace, and industrial requirements. This strategic expansion into the aftermarket services sector has the potential to create recurring revenue streams and strengthening customer relationships throughout the product lifecycle.

To augment our production capabilities, the Company has embarked on capital investment for creating a state-of-the-art production facility for aerospace rings and machining of landing gears. The ring mill and machining units should come online in CY 2027. These investments position the Company to serve larger and complex assignments.

The aerospace division operates entirely on a digital platform leveraging IoT and Industry 4.0 standards. This ensures seamless integration from design to manufacturing, testing, and complete life cycle management.

The Company continues to prioritize investments in its people and technology. Talent upgrade, re-skilling, and upskilling have been key areas of focus, fostering robustness and agility within the division's operations and positioning the business for sustained future growth.

E-Mobility Business
Kalyani Powertrain Business Overview (KPTL)

Our e-mobility business, housed under Kalyani Powertrain's operates in two business verticals: re-powering business & electronic components business.

The re-powering business vertical achieved a significant milestone with the development of products that demonstrated a strong product-market fit, leading to commercial introductions across both truck and bus segments. These launches were underpinned by successful

partnerships and a well-established supporting ecosystem. Conversion rates have remained modest, highlighting the need for expanded market outreach, stronger collaborations with leading logistics service providers, and expedited certification processes for key vehicle models. What began with cautious interest in re-powering has now evolved into growing customer confidence. The launch of real-world product trials in January 2025 showcased compelling value through optimized vehicle configurations, battery sizing, and charging solutions. The business also identified the State Transport undertakings as an ideal candidate for re-powering old buses (> 7 years) and rejuvenating their life without impacting the existing employee & depot ecosystem. The business has signed Proof-Of-Concept MoUs with 2 states.

The electronic components business had a transformative year in FY2025, characterized by both significant challenges and key milestones. A major achievement during the year was the commencement of revenue from operations. It also won its 1st global order for DC-DC converter. Recognizing the operational metrics of the Build-to-Print business, and a better scope in the telecom server segment, KPTL has pivoted towards server solutions with the objective of "Make in India" Servers. The Company has signed two strategic MoUs with Global Industry leaders in Processor & Server Hardware Value Chain, cementing its entry in this segment. The Company also enhanced its technical capabilities by onboarding domain experts and establishing a dedicated System Integration domain.

In the medium term, KPTL is focused on structured revenue growth by targeting 3-4 high-impact sectors,

- 1. Re-powering of Trucks for Smaller Inter-city Distances
- 2. Re-Powering of Bus at State Transport Undertaking
- 3. Launch and establish Make in India Server Business
- 4. Strengthen Automotive Electronics Business by Acquiring New Customers

Additionally, the Company is targeting to achieve best-in-class product robustness with 100% uptime and selective backward integration to optimize cost.

Financial Review

Standalone

Analysis of Standalone Profit and Loss Statement

(₹ in million)

Particulars	FY2025	FY2024	% Change
Total Revenue	88,437.30	89,686.34	-1.39%
Raw Material	35,921.66	38,300.99	
Manufacturing Expenses	12,140.78	12,244.60	
Manpower Cost	6,366.06	6,014.47	
Other Expenditure	8,771.90	8,439.18	
Total Expenditure	63,200.40	64,999.24	-2.77%
EBITDA	25,236.90	24,687.10	2.23%
EBITDA (%)	28.54%	27.53%	
Depreciation	4,403.69	4,420.42	
Interest	2,498.14	2,874.12	
Other Income	1,588.53	1,623.41	
PBT	19,923.60	19,015.97	4.77%
Exchange Gain/ (Loss)	-202.82	90.67	
PBT	19,720.78	19,106.64	3.21%
Exceptional Items Gain/ (Loss)	-1,533.14	-154.33	
PBT	18,187.64	18,952.31	
Taxation	4,965.13	4,702.74	
PAT	13,222.51	14,249.57	-7.21%

Consolidated

Analysis of Consolidated Profit and Loss Statement

(₹ in million)

Particulars	FY2025	FY2024	% Change
Total Revenue	1,51,228.03	1,56,820.71	-3.57%
Raw Material	65,943.40	73,791.91	
Manufacturing Expenses	20,924.59	21,321.30	
Manpower Cost	18,698.95	18,599.97	
Other Expenditure	18,529.90	17,446.67	
Total Expenditure	1,24,096.84	1,31,159.85	-5.39%
EBITDA	27,131.19	25,660.86	5.73%
EBITDA (%)	17.94%	16.36%	
Depreciation	8,736.19	8,481.97	
Interest	4,174.93	4,911.67	
Other Income	2,137.64	2,274.24	
PBT	16,357.71	14,541.46	12.49%
Exchange Gain/ (Loss)	-191.74	-81.46	
PBT	16,165.97	14,460.00	11.80%
Exceptional Items	-1,570.65	-123.23	
Share of (Loss)/Profit of Associates and Joint Ventures	-37.07	53.15	
PBT	14,558.25	14,389.92	
Taxation	5,425.50	5,288.33	
PAT	9,132.75	9,101.59	0.34%

HUMAN RESOURCES

Talent – Performance Management System (PMS):

Our performance management system was strengthened through the implementation of SMART goals, annual appraisals and PIPs using SAP Success Factors. These initiatives aligned employee objectives with the Balanced Scorecard (BSC) and the digital PMS platform, fostering transparency, accountability and continuous improvement.

Capability Building & Career Development:

We conducted a leadership competency assessment for SBU heads, which will be followed by tailored coaching interventions. High potential talent and critical roles were mapped and IDP-based development journeys were initiated. Internal job rotations enhanced agility and career growth. We placed greater emphasis on career development through internal opportunities that support talent growth.

Training:

Comprehensive training efforts resulted in 2.49 man-days per employee across technical, behavioral, safety and mandatory training. A Technical Skill Matrix with 8 core skills & 158 sub-skills was deployed to assess and address skill gaps. It was designed to compare desired and actual competencies across roles, enhancing our preparedness for future and niche technical skills. Our blue-collar Skill Enhancement Program has assessed 1,355 employees with tailored upskilling interventions underway. The Behavioral Competency Matrix was established and Training Needs Analysis was captured for over 925 employees.

Employee Engagement:

The cultural festival held on January 11 & 12, 2025, saw participation of over 1,800 employees showcasing their talents, culminating in the prize distribution ceremony on February 18, 2025, honoring outstanding contributions. The Family Day at Baramati featured fun activities and recognitions, reinforcing a culture of appreciation. Further, inter-company cycling and cricket tournaments fostered camaraderie. We recognized 29 individuals for long service milestones of 15 and 25 years.

Industrial Relations (IR):

Our continued focus on positive industrial relations ensured stable operations and workforce harmony throughout the year. There were no industrial relations issues that resulted in loss of production, reflecting mutual trust and collaboration.

Diversity, Equity & Inclusion (DEI):

- **Female Representation:** Increased from 1.6% to 2.6%, reflecting our DEI efforts
- **Women Empowerment:** Conducted Self-defence training during Women's Day
- **Health & Safety:** Installed ECG and AED machines at our biggest manufacturing facility, Mundhwa. Yoga Day was celebrated with 100+ participants promoting holistic well-being

INFORMATION TECHNOLOGY

Bharat Forge will continue to invest significantly in AI and robotics-related areas to foster innovation, compete on scale across all its businesses.

FY2025 was a year of balancing competing priorities. On one hand, as the defence business scaled new heights with significant expansion in size and scope, there was a need to strengthen the security posture while establishing robust systems and processes to ensure smooth functioning. On the other hand, efforts were made towards driving efficiency across the legacy Forging division, where the focus was on equipping leaders with near real-time insights to trigger transformational actions that enhance operational performance. AI served as a strong enabler throughout this journey.

Auto Components Business

Key interventions included:

- (a) Digitalization of sales process with customer relationship management (CRM) exploitation to bring advanced capabilities;
- (b) Analytics package to enable near real-time visibility of costs, production KPIs & efficiency driving overall productivity enhancements across business operations;
- (c) Sophisticated part cost estimation solution for efficient quotes for customer inquiries;
- (d) Manufacturing & sales AI agents delivering dynamic heatmap for senior management.

The next phase of work is progressing around themes such as:

- (i) planning and supply chain optimization & transparency;
- (ii) Inventory optimization;
- (iii) Engineering transformation using upgraded platform and digital enablement.

Defence Business

Key interventions included:

- (a) Adoption of digital design methodology enabled via product lifecycle management (PLM) solution;
- (b) ERP and PLM integration for seamless engineering and manufacturing digital thread driving product quality improvement, reduce product complexity and efficient design for manufacturability;
- (c) Defence IT Infrastructure segregation for robust cybersecurity posture.

The next phase of work is progressing around themes such as:

- (i) adoption of generative design principles;
- (ii) AR/VR integration for design validation, manufacturability evaluation and assembly instruction;
- (iii) project management software evaluation.

Overseas Subsidiaries

Process improvements were implemented across multiple areas to enable smoother operations, supported by IoT deployments that provide real-time insights into operational performance.

Technology Evaluation

AI and robotics continued to be strategic focus areas, with multiple pilots executed throughout the year aimed at mainstream value creation and future adoption. Key developments included the adoption of agentic AI architectures, development of AI agents for select group functions, and progress in building Robot Operating Systems and AI-based core capabilities for humanoid and quadruped robotic platforms for large-scale robotic adoption in manufacturing environments.

Technology will continue to play a pivotal role in further optimizing the variable costs and thereby driving efficiency in cost per piece. Bharat Forge will continue to invest significantly in AI and robotics-related areas to foster innovation, compete on scale across all its businesses.

CORPORATE SOCIAL RESPONSIBILITY

Our CSR approach is anchored in inclusive rural transformation, aligned with the UN SDGs and focused on long-term community resilience. We work across priority areas such as water conservation, clean energy, environmental sustainability, skill development, healthcare, education, women empowerment, and sports. Our integrated initiatives span drought-prone villages, underserved geographies, and urban slum communities – ensuring access to essential services, future-ready learning, and sustainable livelihoods. By collaborating with local institutions and leveraging innovation, we continue to improve quality of life and create meaningful impact at scale.

➞ Read more about our CSR intervention on page 38 onwards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG):

Bharat Forge's ESG journey formally began with the establishment of the Board-level ESG Committee in FY2022. The Company has developed a structured ESG framework comprising 7 objectives and 25 measures aligned to its material ESG priorities. This framework enables the organization to identify, assess, and address key risks and opportunities, with regular monitoring by the management team ensuring steady progress. Consistent advancements have been made across stakeholder engagement, resource efficiency, climate action, supply chain sustainability, customer partnerships, risk management, and ethical compliance.

The ESG considerations are embedded into strategic decisions, including mergers and acquisitions. The Company's sustainability reporting aligns with the GRI framework, and year-on-year improvements in ESG ratings reflect its improved performance and commitment.

➞ Read more on page 24 onwards of the ESG section.

By collaborating with local institutions and leveraging innovation, we continue to improve quality of life and create meaningful impact at scale.

RISK MANAGEMENT

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

Some aspects have been highlighted below:

- Persistent global challenges with inflation and supply chain disruptions continue to significantly impact macroeconomic conditions, crucial for the Company's growth
- Proper functioning of all equipment is imperative; any shortcomings may disrupt the Company's ability to fulfill customer requirements
- The growing shortage of skilled labor poses a major risk to retaining workers in the Company
- Ensuring worker safety remains a crucial operational concern across all the plants
- Adapting to a rapidly changing technological landscape to address dynamic customer needs is necessary to remain relevant and sustain growth
- With business operations interconnected via secured networks, cybersecurity has become very critical for Bharat Forge. Any attacks on secured networks or data theft can lead to financial/reputational losses
- The global nature of the Company's business means that any disruption in the movement of goods to customers due to any exigencies is a significant operational risk

The Company earns significant revenue through exports. Even though it prudently hedges the foreign currency revenues, it is exposed to sudden fluctuations in foreign exchange rates for the unhedged portion.

➞ Read more on our risks and mitigations in page 44 and onwards of the Risk Management section.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust internal control system designed to authorize, record, and report transactions to safeguard assets and prevent unauthorized use or disposition. These internal controls ensure the accuracy and effectiveness of data and financial information to maintain accountability of assets. These internal controls are strengthened through rigorous internal audits, management oversight, and well-documented policies, guidelines, and procedures.

Board's Report

For the year ended March 31, 2025

To the Members,

Your Directors have the pleasure of presenting the 64th (Sixty-Fourth) Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended March 31, 2025.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company on a standalone and consolidated basis for the Financial Year ended March 31, 2025, as compared with the previous year is summarised below:

Particulars	Standalone		Consolidated	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Total Income	90,025.83	91,309.75	153,365.67	159,094.95
Exports Revenue	47,464.85	49,282.77	115,136.23	118,486.20
Net Profit				
Profit for the year before Taxation and Exceptional item	19,720.78	19,106.64	16,165.97	14,460.00
Share of (loss)/Profit of associates and joint ventures	-	-	(37.07)	53.15
Add/(Less): Exceptional item	(1,533.14)	(154.33)	(1,570.65)	(123.23)
Provision for Taxation:				
Current Tax	5,122.06	4,960.90	5,848.54	5,690.69
Deferred Tax	(156.93)	(258.16)	(423.04)	(402.36)
Profit for the year	13,222.51	14,249.57	9,132.75	9,101.59
Less: Non-controlling interest	-	-	(278.78)	(409.69)
Profit for the year attributable to equity holders of parent	13,222.51	14,249.57	9,411.53	9,511.28
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)	(457.66)	(1,939.39)	(195.83)	(1,444.88)
Total	12,764.85	12,310.18	9,215.70	8,066.40
Balance of Profit from the previous year	73,233.48	64,648.01	57,687.35	53,345.66
Profit available for Appropriation	85,998.33	76,958.19	66,903.05	61,412.06
Appropriations:				
Interim Dividend on Equity Shares	1,195.22	1,163.97	1,195.22	1,163.97
Final Dividend on Equity Shares	3,026.33	2,560.74	3,026.33	2,560.74
Surplus retained in the Statement of Profit and Loss	81,776.78	73,233.48	62,681.50	57,687.35

2. DIVIDEND

The Board, in its meeting held on February 12, 2025, declared an interim dividend of ₹2.50/- per equity share (i.e. 125%) of the face value of ₹2/- each aggregating to ₹1,195.22 million subject to deduction of income tax at source.

Based on the Company's financial performance, the Directors are pleased to recommend, for the approval of members, a final dividend of ₹6.00/- per equity share (i.e. 300%) of the face value of ₹2/- each. The final dividend on equity shares, if approved by the members at the ensuing Annual General Meeting ("the AGM"), would involve a cash outflow of ₹2,868.53 million and shall be subject to deduction of income tax at source and will be paid to those members whose name appears on the register of members (including Beneficial Owners) of the Company as at the end of Friday, July 4, 2025.

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

The dividend pay-out has been determined in accordance with the Dividend Distribution Policy of the Company.

3. RESERVES

During the year under review, the Company does not propose to transfer any amount to the General Reserve. An amount of ₹ 81,776.78 million is proposed to be retained as surplus in the Profit and Loss account.

4. PERFORMANCE OF THE COMPANY

FY 2024-25 saw the Indian economy clock an impressive 6.5% growth per provisional estimates. Despite a slowdown in government capex during the 1st half of the year due to elections, the economy showed remarkable resilience. With the Consumer Price Index easing in the second half of the Financial Year the Reserve Bank commenced its rate-cutting cycle. On the exports front, demand in Europe was subdued throughout the year as economic recovery remained anaemic. In the background of the challenging conditions, your Company on a standalone basis clocked a revenue of ₹ 88,437.30 million in the financial year 2024-25 registering a mild de-growth of (1.4)% YoY. On a consolidated basis, the Company, its subsidiaries and joint venture companies achieved total revenue of ₹ 151,228 million as against ₹ 156,821 million, a decrease of 3.6% YoY.

During the fiscal, your Company also concluded an equity fund raise of ₹ 1,650 crore in December 2024. The amount raised was used to retire debt in some of our subsidiaries and a portion of it also remains earmarked for the acquisition of AAM India Manufacturing Corporation Private Limited.

Domestic Business

Automotive Market: The domestic economy gained momentum in the 2nd half of the year, driven by a pick-up in government capex post elections. Despite a slow start to the year, Passenger Vehicles ("PV") registered growth while Commercial Vehicles ("CV") sales saw a slight decline. The year 2024-25 saw the turnover from Domestic Passenger vehicle business scale ₹ 3,622 million registering a 21% YoY growth, thanks to new customer acquisition and product additions. The product premiumisation trend witnessed in the PV business continued with Utility Vehicle sales now accounting for 65% of the PV sales in 2024-25.

The domestic CV industry saw a slight decline as the trucks segment saw slower growth due to a back-end government capex spend in the fiscal gone by. Meanwhile bus segment clocked strong performance as State Transport Undertaking placed more orders. The CV OEMs have seen record profitability in terms of EBITDA margins in FY2024-25 driven by efficiency in operational expenditure. The expanding share of Heavy trucks like Tractor trailers and Tippers in the overall mix has meant that your Company has participated in the market growth.

Industrial: The Industrial business registered a growth of 4% to reach ₹ 23,273 million during the financial year 2024-25. A large part of the growth was due to the supply of components and fully built guns for the export orders won by Kalyani Strategic Systems Limited ("KSSL") (wholly-owned subsidiary) in the financial year 2022-23. Your Company's defence business is likely to see good traction due to a wide product portfolio across Artillery Guns, Protected Vehicles, Shells and Naval utility products. Our in-house IP ownership helps us stand apart in the industry landscape. We target applications where white spaces exist. Through our Product engineering capabilities, we try to provide solutions for these unmet needs. This allows us to have a versatile product portfolio with good potential for export. As military budgets expand globally, companies like KSSL are likely to see more opportunities emerge on the horizon.

Your Company's non-defence industrial business has offerings across sectors like construction and mining, renewables, sugar, cement and Power. Your Company has always focused on products built for critical-use cases, allowing it to enjoy some premium in pricing.

Our Ferrous Casting business under JS Autocast had revenue of ₹ 6,971 million in FY2024-25 registering strong growth of 22.8% YoY. EBITDA margin at 14.9% expanded to 140 bps in FY25. JSA has a strong presence in wind energy, hydraulics, earth moving, off-highway. Its total liquid metal capacity stands at 1,30,000 MTPA. JSA has gradually expanded its reach to Commercial Vehicles and Passenger Cars segments adding to the diversification of the revenue stream. During the year, JSA undertook numerous de-bottlenecking projects, expedited new product development and streamlined operations to optimise cost. To increase value-add, JSA has augmented its Machining capacity in the year gone by.

Your Company entered into an agreement to acquire 100% interest in the axles business and the Design Centre located at Pune of AAM India Manufacturing Corporation Private Ltd. This transaction is another step in our endeavour to transform your Company from a component supplier to a manufacturer of assemblies/products. The transaction is expected to close in H1FY26.

International Business

Automotive Market: The Company saw some contractions in exports during the year. Europe's economic woes had a cascading impact on automobile demand in the continent. We expect the automobile demand in Europe to recover from the lows seen in CY24. This recovery could be aided by increased capex spending by various member countries which is likely to give some support to the European CV industry.

Our North American CV business witnessed growth in FY25 despite flat volumes for the Class 8 truck market. This performance is another indicator of the resilience of your Company's automotive business. However, the recent trade policy changes by the United States of America have resulted in an additional layer of uncertainty. These are likely to further accentuate inflationary pressures in the US pushing overall CV and PV industry volumes lower. Your Company continues to engage with all its customers to minimise the impact of these disruptions and maintain its market share in the segments it operates in.

Coming from all-time revenue in FY24, the Passenger Car business overcame various challenges like sluggish European demand, model-specific weakness in Latin America, Asia and internal operational issues. Despite all these odds, we clocked a revenue of ₹ 11,167 million representing a 12% de-growth YoY. However, in the near future, the US tariffs are likely to cause supply chain disruptions and push up inflation. We expect this could curb discretionary consumption resulting in deferment of vehicle purchases in North America in the short run. This could impact our PV export business and result in lower sales.

Industrial: The Industrial export business grew 3% in FY25 to reach ₹ 15,962 million in revenue. Though the headline numbers may be marginally positive, the underlying story offers a lot of consolation. Oil & Gas business came back after a tough period in FY24. In FY25, this segment recorded revenue of ₹ 3,991 million, implying a 27% YoY growth. Aerospace closed the year with record revenues of ₹ 2,407 million registering a 13% YoY growth. Construction & Mining faced headwinds as demand plateaued out vs FY24. Our strategy on the Industrial side has been to diversify across sectors to create multiple levers of growth. This has also helped minimise the impact of individual sectoral volatility on the Industrial BU's performance.

As we close the financial year 2024-25, the recent changes to trade policy in the United States and the protectionist posture adopted by various nations is likely to cause disruptions. This may lead to short-term pain on top-line as well bottom-line performance in FY26. At the same time, newer avenues of growth may also open up. With OEMs on the lookout to future-proof their supply chains, Bharat Forge stands a good chance to gain foothold in sectors hitherto untapped by us.

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

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

6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

The list of Related Party Transactions entered into by your Company for the Financial Year 2024-25 (on a consolidated basis) is available on the Company's website at: <https://www.bharatforge.com/investors/corporate-governance/related-party-transactions>

7. DEPOSITS

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

8. INTERNAL FINANCIAL CONTROLS

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

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

9. RISK MANAGEMENT

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

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

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

There are no adverse material changes or commitments that occurred after March 31, 2025, which may affect the financial position of the Company or may require disclosure.

11. SIGNIFICANT AND MATERIAL ORDERS

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

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

12. STATE OF COMPANY'S AFFAIRS

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

13. SHARE CAPITAL

Qualified Institutions Placement

During the year, the Company successfully raised ₹ 16,500 million by way of fresh equity issue through Qualified Institutions Placement (QIP). The proceeds of the QIP issue have been utilised for repayment/pre-payment of outstanding borrowings availed by certain subsidiaries, proposed acquisition of AAM India Manufacturing Corporation Private Limited, and for other general corporate purposes, as per details disclosed in the Placement Document for the Issue.

Pursuant to the QIP Issue, the issued, subscribed and paid-up equity share capital of the Company stood at ₹ 956,177,264 divided into 478,088,632 equity shares of the face value of ₹ 2/- each. The funds were utilised for the purpose for which they were raised, and there were no deviations or variations in the utilisation.

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, 2025, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

Debt

During the financial year 2024-25, the Company undertook the following actions in relation to its outstanding Non-Convertible Debentures (NCDs):

- Partial redemption of 1,500 rated, listed, unsecured, redeemable NCDs of face value ₹1 million each, bearing a coupon rate of 5.97% per annum, out of the 5,000 NCDs originally issued.
- Subsequently, on April 17, 2025, the Company redeemed 2,000 rated, listed, unsecured, redeemable NCDs of face value ₹1 million each, bearing a coupon rate of 5.80% per annum, aggregating to ₹2,000 million.

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

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

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

Date of Declaration	Type of Dividend	Amount transferred (₹)	No. of equity shares transferred
February 8, 2017	Interim	1,874,317.50	8,500
August 10, 2017	Final	3,144,430.00	92,436
November 8, 2017	Interim	2,966,078.00	46,870

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

The Company has sent notices to respective shareholders who have not claimed a dividend for 7 (seven) consecutive years and whose shares were liable to be transferred to IEPF during the financial year 2024-25. The newspaper advertisement stating the same has also been published in Loksatta, Marathi, Pune, and Business Standard - All Editions newspapers on June 8, 2024, and, in Loksatta, Marathi, Pune, and Financial Express - All Editions newspapers on September 7, 2024.

15. ANNUAL RETURN

In accordance with Sections 92(3) read with 134(3)(a) of the Act, the extract of the Annual Return of the Company for the financial year 2024-25 is available on the website of the Company at <https://www.bharatforge.com/investors/shareholders-information/Annual-Return>

16. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2024-25.

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

- in preparation of the annual accounts for the financial year ended March 31, 2025, the applicable Accounting Standards have been followed and there were no material departures;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025, and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Subodh Tandale (DIN: 00266833), Director of the Company, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. A resolution seeking members' approval for his re-appointment along with other required details forms part of the Notice convening the 64th AGM of the Company.

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

- The members, vide Postal Ballot, approved the re-appointments of Mr. Amit Kalyani (DIN: 00089430) as Whole-time Director designated as "Vice-Chairman and Joint Managing Director" for another term of 5 (five) consecutive years commencing from May 11, 2024 till May 10, 2029 (both inclusive), and Mr. Dipak Mane (DIN: 01215889) as Non-Executive Independent Director for the second term of 5 (five) consecutive years from June 21, 2024 up to June 20, 2029 (both days inclusive).
- Mr. Murali Sivaraman (DIN: 01461231) ceased to be an Independent Director of the Company upon completion of his term of 5 (five) consecutive years with effect from the closure of business hours on June 20, 2024.
- The members at its 63rd AGM held on August 9, 2024 approved the appointment of Mr. Anand Pathak (DIN: 01529308) as Non-Executive Independent Director of the Company, for a term of 5 (five) consecutive years with effect from July 12, 2024 to July 11, 2029 (both days inclusive).
- Mr. Prataprao G Pawar (DIN: 00018985), Mrs. Lalita D. Gupte (DIN: 00043559), Mr. P.H Ravikumar (DIN: 00280010) and Mr. Vimal Bhandari (DIN: 00001318) ceased to be the Independent Directors of the Company upon completion of their second term of 5 (five) consecutive years with effect from the closure of business hours on September 3, 2024.
- The members, vide Postal Ballot, approved the appointment of Ms. Rashmi Joshi (DIN: 06641898) and Mr. Ravi Kapoor as Non-Executive Independent Director of the Company, for a term of 5 (five) consecutive years with effect from December 30, 2024 to December 29, 2029 (both days inclusive).

- f. The Board at its meeting held on May 8, 2025, approved the re-appointment of Mr. K.B.S. Anand (DIN: 03518282) and Ms. Sonia Singh (DIN: 07108778) as Non-Executive Independent Directors for the second term of 5 (five) consecutive years from June 27, 2025 up to June 26, 2030 (both days inclusive), subject to the approval of members sought by way of Postal Ballot notice dated May 8, 2025.

Independent Directors' Declaration

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

18. NUMBER OF MEETINGS OF THE BOARD

The Board met 6 (six) times during the year. Also, a separate meeting of Independent Directors as prescribed under Schedule IV of the Act, was held during the year under review. The details of meetings of the Board of Directors are provided in the Report on Corporate Governance that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act.

19. BOARD EVALUATION

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

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

20. FAMILIARISATION PROGRAMME

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

The details of the familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at: <https://www.bharatforge.com/assets/pdf/investors/BFL-Familiarisation%20Programme%20for%20Independent%20Directors%20-12.02.2025.pdf>

21. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

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

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

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

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

Disclosure regarding receipt of remuneration by a Director from the holding or subsidiary of a Company:

Director fees of GBP 100,000 each from Bharat Forge International Limited, U.K. for the financial year 2024-25 is payable to Mr. B. N. Kalyani and Mr. Amit Kalyani.

23. NOMINATION AND REMUNERATION POLICY

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

24. CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and has also implemented several best governance practices. A separate section on corporate governance and a certificate from the Practicing Company Secretary regarding compliance with the conditions of corporate governance as stipulated under the Listing Regulations form part of this Annual Report. The Chairman and Managing Director and the Chief Financial Officer of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17 (8) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended March 31, 2025.

25. SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

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

- Deregistration of Kalyani Strategic Systems Australia Pty Ltd ("KSSL Australia"), a step-down subsidiary of the Company has been duly approved by the Australian Securities and Investments Commission (ASIC) and KSSL Australia has been deregistered with effect from May 26, 2024.
- Kalyani Strategic Systems Limited ("KSSL"), a wholly-owned subsidiary of the Company has been granted the defence licence by the Department for Promotion of Industry & Internal Trade under The Industries (Development and Regulation) Act, 1951, for the manufacture of various defence products at its Jejuri unit.
- The Company in its meeting held on August 8, 2024 approved the closure of Indigenous IL Limited, a non-operational wholly-owned subsidiary as there were no future business plans envisaged in Israel. Indigenous IL Limited has filed an application for voluntary liquidation in January 2025 with the Israeli Corporation Authority.
- The Board of Directors have, in their meeting dated August 8, 2024 agreed to transfer 50% stake of the Company in Refu Drive GmbH to Kalyani Powertrain Limited, a wholly-owned subsidiary. The said transfer has been completed on September 20, 2024.
- The Board of Directors have, vide their meeting dated August 8, 2024 agreed to transfer 39.43% stake held in TMJ Electric Vehicles Limited to Bharat Forge International Limited, a wholly-owned subsidiary. The said transfer has been completed on October 10, 2024.

As on March 31, 2025, the Company has 32 (Thirty-two) subsidiaries (including step-down subsidiaries), 2 (Two) associate companies and 1 (One) joint venture company. In accordance with Section 129(3) of the Act, the Company has prepared the consolidated financial statement, which forms part of this Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries in the prescribed **Form AOC-1** is presented in a separate section forming part of the financial statements.

Performance of Material Subsidiaries:

i. Bharat Forge CDP GmbH:

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

BF CDP is engaged in the business of manufacturing forged and machined components for commercial vehicles, passenger vehicles and industrial applications. BF CDP recorded a revenue of ₹ 16,892 million (Euro 186.11 million) as on March 31, 2025.

ii. Bharat Forge International Limited:

Bharat Forge International Limited ("BF International") is a wholly-owned subsidiary of the Company located in England, United Kingdom. BF International is engaged in the business of trading forged and machined components for the automotive and industrial sectors and has a revenue of ₹ 31,976.01 million (USD 378.10 million) for the year ended March 31, 2025.

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

26. AUDIT COMMITTEE

The Audit Committee comprises Mr. K.B.S. Anand, Independent Director as Chairperson, Mr. Ravi Kapoor, Independent Director, and Ms. Rashmi Joshi, Independent Director as members. The terms of reference and other details of the Audit Committee including their reconstitution post the change in the Board of Directors and details of the meetings held during the financial year are given in the Report on Corporate Governance forming part of this Annual Report.

All the recommendations made by the Audit Committee were deliberated and accepted by the Board during the financial year 2024-25.

27. AUDITORS

A. Statutory Auditors and Audit Report

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

The Auditor's Report for the financial year 2024-25 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

B. Secretarial Auditor and the Audit

The Board has appointed M/s SVD & Associates, Company Secretaries, Pune, to conduct Secretarial Audit for the financial year 2024-25. The Secretarial Audit Report for the financial year ended March 31, 2025, is appended as **Annexure "C"** to this report.

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

Further, as required under Section 204 of the Companies Act, 2013, and rules thereunder, Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI LODR'), and subject to approval of the Shareholders of the Company, the Board has recommended appointment of M/s SVD & Associates, Company Secretaries, Pune, as Secretarial Auditors of the

Company for a period of 5 (five) consecutive years from the conclusion of the 64th Annual General Meeting of the Company scheduled to be held on August 7, 2025, till the conclusion of the 69th Annual General Meeting to be held in the year 2030.

C. Secretarial Audit Report of Material Unlisted Subsidiary

As per regulation 24(A) of SEBI Listing Regulations, a listed company is required to annex the secretarial audit report of its material unlisted subsidiary in India to its Annual Report. The Company does not have any Material Unlisted Subsidiary in India during FY 2024-25.

D. Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration No.: 00030) as Cost Auditors to audit the cost accounts of the Company for the financial year 2025-26. As required under the Act, a resolution seeking shareholders' approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 64th AGM.

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

The Cost Audit report for the financial year 2023-24 was filed with the Ministry of Corporate Affairs on October 14, 2024.

E. Reporting of fraud by auditors

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

28. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

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

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

Your Company has constituted an Internal Complaints Committee ("ICC") in all the units of the Company to consider and resolve all sexual harassment complaints reported. The ICC has been constituted as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the committee includes external members from NGOs or with relevant experience. During the year, no complaints were received by the ICC of the Company. During the year, the ICC of the Company did not receive any complaints during the financial year ended March 31, 2025. The investigation pertaining to a complaint received in the financial year 2023-24 was concluded in May 2024. Further, the Company reached out to 2,234 employees through awareness sessions to create greater awareness with respect to the Company's Policy on Sexual Harassment at workplace. During the year under review, video-based training on POSH awareness was rolled out to all the employees and is being hosted on the employee portal to create greater awareness on this subject.

30. VIGIL MECHANISM

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

The Company reaches out to employees through physical/virtual sessions with the aim of creating greater awareness on this subject. During the year under review, the Company has received 6 (six) complaints under the said mechanism, the details of which are tabulated below:

Number of complaints received during the year	Number of complaints resolved during the year	Number of complaints remaining unresolved/undergoing investigation as on March 31, 2025
6	6	0

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

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

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

32. COMPLIANCE WITH SECRETARIAL STANDARDS

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

33. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the positive cooperation received from the Government of India, Governments of various States in India, Financial Institutions and 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 cooperation and support received from its valued shareholders.

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

For and on behalf of the Board of Directors

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

Pune: May 08, 2025

ANNEXURE “A”

FORM NO. AOC-2

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

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

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

There are no contracts or arrangements, or transactions entered into by the Company during the year ended March 31, 2025, which are not at arm’s length basis.

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

a]	Name(s) of the related party and nature of relationship	Bharat Forge International Limited (Wholly-owned subsidiary)	Kalyani Steels Limited	Saarloha Advanced Materials Private Limited
b]	Nature of contracts/ arrangements/transactions	Sale of goods, etc.	Purchase of raw material - steel, sale of scrap etc.	Purchase of raw material – specialty steel, sale of scrap, job work, machining/ sub-contracting charges etc.
c]	Duration of the contracts/ arrangements/transactions	On ongoing basis	On ongoing basis	On ongoing basis
d]	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters. Estimated annual value of ₹ 34,300 million	In tune with market parameters. Estimated annual value of ₹15,000 million	In tune with market parameters. Estimated annual value of ₹30,000 million
e]	Date(s) of approval by the Board, if any	February 12, 2024	May 05, 2023	May 05, 2023
f]	Amount paid as advances, if any	Nil	₹ 470 million	₹ 250 million

For and on behalf of the Board of Directors

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

Pune: May 08, 2025

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

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

Sr. No.	Name	Designation	Ratio of remuneration of each Director to the median remuneration of the employees of the Company
1.	Mr. B. N. Kalyani	Chairman and Managing Director	256.69
2.	Mr. Amit Kalyani	Vice-Chairman and Joint Managing Director	76.88
3.	Mr. B. P. Kalyani	Executive Director	54.88
4.	Mr. S. E. Tandale	Executive Director	62.32

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

Sr. No.	Name	Designation	% Increase/(decrease) in the Remuneration
1.	Mr. B. N. Kalyani	Chairman and Managing Director	22.41%
2.	Mr. Amit Kalyani	Vice-Chairman and Joint Managing Director	56.42%
3.	Mr. B. P. Kalyani	Executive Director	23.62%
4.	Mr. S. E. Tandale	Executive Director	24.78%
5.	Ms. T. R. Chaudhari	Company Secretary	8.66%
6.	Mr. K.P. Dixit	Chief Financial Officer	40.34%

Note for points 1 and 2:

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

3. The percentage increase in the median remuneration of employees in the financial year: 5.15%

4. The number of permanent employees on the roll of the Company: 3970

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

Average percentile increase in salaries of managerial personnel: 24.20 % (at 50th Percentile)

Average percentile increase in salaries of non-managerial personnel: 8% (at 50th Percentile)

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

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

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

ANNEXURE “C”

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

&

Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,

The Members,

Bharat Forge Limited,

Mundhwa, Pune Cantonment, Pune - 411036.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **the financial year ended on March 31, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for **the financial year ended on March 31, 2025 (audit period)** according to the provisions of:

- i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, wherever applicable;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (SEBI ICDR)
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (SEBI SAST)
 - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(not applicable during the audit period)**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (SEBI SBEB) **(not applicable during the audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - g. The Securities and Exchange Board of India (Depositories and Participants Regulations), 2018;

- h.

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;
- i.

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

We further report that,

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

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

- i.

Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- ii.

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

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

During the Period from September 4, 2024 to December 30, 2024, the composition of the Board of Directors of the Company was temporarily imbalanced due to the completion of the tenure of certain Independent Directors. The Company was not able to comply with the requirements of Board Composition in terms of Regulation 17 (1) of SEBI LODR due to the mandatory requirement for obtaining prior clearance from the Ministry of Home Affairs (MHA) and the Department for Promotion of Industry and Internal Trade (DPIIT) (collectively referred as "Licensing Authorities") for appointment of the new Independent Directors. The recognised Stock Exchanges i.e. BSE and NSE have levied fines of INR. 6,90,300/- (inclusive of GST) each. The Company has duly remitted the fines within the prescribed time period as stipulated by the exchanges. The composition of the Board has been duly complied as of December 30, 2024. The deviation is due to the time required in receiving requisite approval from Licensing Authorities. Further, the Company has submitted a formal waiver application, pursuant to policy for exemption of fines levied as per the provisions of SEBI SOP Circular (Criteria 3(a) - Impossibility of Compliance) before the respective Stock Exchange(s) requesting for exemption from the imposed fines.

We further report that,

Subject to our observation herein above, 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 the agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to the agenda are circulated within shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

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

We further report that,

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

We further report that,

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

- i.

Deregistration of Kalyani Strategic Systems Australia Pty Ltd ("KSSL Australia"), a step-down subsidiary of the Company has been duly approved by the Australian Securities and Investments Commission (ASIC) and KSSL Australia has been deregistered with effect from May 26, 2024.
- ii.

Kalyani Strategic Systems Limited ("KSSL"), a wholly-owned subsidiary of the Company has been granted a defence licence by the Department for Promotion of Industry & Internal Trade under The Industries (Development and Regulation) Act, 1951, for the manufacture of various defence products at its Jejuri unit.
- iii.

The Company has on August 6, 2024, made partial redemption of 1,500 rated, listed, unsecured, redeemable, non-convertible debentures bearing a face value of INR 10,00,000 (Rupees One Million only) each, out of 5,000 NCDs (ISIN: INE465A08012).
- iv.

The Company in its meeting held on August 8, 2024 approved the closure of Indigenous IL Limited, a non-operational wholly-owned subsidiary as there were no future business plans envisaged in Israel.
- v.

The Board of Directors have, in their meeting dated August 8, 2024 agreed to transfer 50% stake of the Company in Refu Drive GmbH to Kalyani Powertrain Limited, a wholly-owned subsidiary. The said transfer has been completed on September 20, 2024
- vi.

The Board of Directors have, vide their meeting dated August 8, 2024 agreed to transfer 39.43% stake held in TMJ Electric Vehicles Limited to Bharat Forge International Limited, a wholly-owned subsidiary. The said transfer has been completed on October 10, 2024.
- vii.

The Company had passed a Special Resolution through Postal Ballot dated November 8, 2024 for further Issuance of Securities up to INR. 2,000 Crore (Rupees Two Thousand Crores). Subsequently, the Company raised INR. 1,650 Crore through Qualified Institutional Placement by allotment of 1,25,00,000 Equity Shares on December 9, 2024.
- viii.

The Company has entered into a Share Purchase Agreement ("SPA") on October 17, 2024, for the acquisition of 100% shareholding in AAM India Manufacturing Corporation Private Limited ("AAMIMCPL"). The approval of the said acquisition was given by the Competition Commission of India ('CCI') vide its Letter dated April 22, 2025.

For **SVD & Associates**
Company Secretaries

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

Unique Code of the Firm: P2013MH031900
Peer Review No: 6357/2025
UDIN: F006156G000264931

Place: Pune
Date: May 08, 2025

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

‘Annexure A’

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

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

MANAGEMENT’S RESPONSIBILITY

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

AUDITOR’S RESPONSIBILITY

2.
- Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3.
- We believe that audit evidence and information obtained from the Company’s Management are adequate and appropriate for us to provide a basis for our opinion.
4.
- We have relied on the documents and evidence provided physically and through electronic mode.
5.
- Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

DISCLAIMER

6.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

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

Unique Code of the Firm: P2013MH031900
Peer Review No: 6357/2025
UDIN: F006156G000264931

Place: Pune
Date: May 08, 2025

ANNEXURE “D”

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

Sustainability is at the heart of our project.

Our CSR policy aims to have a dedicated approach to the development of the community by investing in the areas of Village Development (works on 5 major indicators - Water harvesting, livelihood, health, education and internal roads), primary, secondary and tertiary education for the underprivileged children, skills development, health and hygiene, cleanliness, Swachh Bharat, women empowerment, sustainability, environment, environment education and ecological protection and encouragement to the rural players through NGOs.

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

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

2. COMPOSITION OF CSR COMMITTEE:

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

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

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

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

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

The Company takes cognisance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"). The Company has undertaken the impact assessment of its CSR projects for the financial year 2024-25 through independent agencies. The summary of the aforesaid impact assessment can be accessed on the Company's website at: <https://www.bharatforge.com/sustainability/downloads/third-party-assessment-reports>

5. (a) Average net profit of the Company as per Section 135(5): ₹ 15,320.63 million
- (b) Two per cent of the average net profit of the Company as per Section 135(5): ₹ 306.00 million
- However, the Company's budgeted CSR Annual Action Plan for FY 2024-25 is of ₹ 306.00 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA
- (d) Amount required to be set off for the financial year, if any: NA
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 306.00 million
6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects): ₹ million
- i. Ongoing Projects (Refer Annexure "D1"): ₹ 218.78 million
- ii. Other than Ongoing Projects (Refer Annexure "D1"): ₹ 20.00 million
- (b) Amount spent on Administrative Overheads: ₹ 4.41 million (1.44% of the total CSR expenditure for the financial year)
- (c) Amount spent on Impact Assessment, if applicable: ₹ 1.59 million (0.52% of the total CSR expenditure for the financial year)
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 244.78 million
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹ Million)	Amount Unspent (in ₹ Million)					
	Total Amount transferred to Unspent CSR Account as per Section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
244.78	61.22	April 29, 2025	-	-	-	-

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

Sr. No.	Particulars	Amount (in ₹ Million)
(i)	Two per cent of the average net profit of the Company as per section 135(5)	306.00
(ii)	Total amount spent for the Financial Year	244.78
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Million)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ Million)	Amount spent in the financial year (in ₹ Million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹ Million)	Deficiency, if any
					Amount (in ₹ Million)	Date of transfer		
1.	2021-22	-	-	-	-	-	-	-
2.	2022-23	4.42	-	4.42	-	-	Nil	-
3.	2023-24	36.83	0.71	36.12	0.71	-	0.71	-

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

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

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

The Company needs to mandatorily spend an amount of ₹ 306.00 million towards CSR activities during the financial year 2024-25. As certain ongoing CSR projects began in this financial year 2024-25, the amount of these projects will be spent in a phased manner. The unspent amount of ₹ 61.22 million pertaining to our ongoing CSR projects has been transferred to Unspent CSR Account 2024-25.

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

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration (in years)	Amount allocated for the project (in ₹ Million)	Amount spent in the current financial Year (in ₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Million)	Mode of Implementation - Through Implementing Agency		
				State	District					Name	CSR Registration number	
1	Environment Projects											
	i. Tree Plantation, Solar Lamps & Waste Management	(iv)	Yes/No	Maharashtra	Satara, Pune, Ahilyanagar, Solapur & Kolhapur	3 Years	68.80	54.76	14.04	No	Agriculture Development Trust & Know How foundation	CSR00001043 & CSR00002818
	ii. Swachh Sunder School Competition for villages				Satara & Pune		5.00	0.00	5.00	Yes	-	-
	iii. Swachh Sunder Gaon Competition				Satara		7.50	0.69	6.81	Yes	-	-
	iv. Pune Cantonment & Force one Commando Training Centre tree plantation and garden maintenance		Yes		Pune Ghorpadi		2.00	0.74	1.26	Yes	-	-
2	Village Development Project- Working on 5 major indicators- water, internal roads, livelihood, health & education											
	i. Water	(x)	Yes/No	Maharashtra	Satara, Pune, Ahilyanagar, Solapur, & Kolhapur	3 Years	120.00	112.85	7.15	No	Maharashtra Arogya Mandal & Nisargvedh	CSR00002233 & CSR00037675
	ii. Internal Roads and gutters											
	iii. Livelihood											
	iv. Health - Under health, below are the initiatives		Yes/No	Maharashtra	Pune	3 Years						
	a) Strengthening of Primary Healthcare centres and healthcare infrastructure	(i)	Yes/No	Maharashtra	Pune	3 Years	1.00	0.58	0.42	Yes	-	-

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration (in years)	Amount allocated for the project (in ₹ Million)	Amount spent in the current financial Year (in ₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Million)	Mode of Implementation - Through Implementing Agency	
				State	District					Mode of Implementation - Direct (Yes/No)	Name and CSR Registration number
	b) Telemedicine	(i)	Yes/No	Maharashtra	Pune & Satara	3 Years	6.50	3.29	3.21	No	Samavedana
	c) Cancer screening camps	(i)	Yes/No	Maharashtra	Pune & Satara	3 Years	1.00	0.16	0.84	No	Samavedana
	v. Education - Infrastructure Development & Mission Sanitation of Schools	(ii)	Yes	Maharashtra	Pune & Satara	3 Years	20.00	4.24	15.76	Yes	-
3	Pratham Pune	(ii)	Yes	Maharashtra	Pune	3 Years	7.00	5.62	1.38	No	Pratham
4	Pradyna Vikas	(ii)	Yes	Maharashtra	Pune	3 Years	2.00	1.89	0.11	No	Jhana Prabodhini
5	Anubhav Shala Khelghar	(ii)	Yes	Maharashtra	Pune	3 Years	1.70	1.60	0.10	No	Jhana Prabodhini
6	Support to Industrial Training institutes as Industry partners and skill development training	(ii)	Yes	Maharashtra	Pune & Ahilyanagar	3 Years	7.00	2.30	4.70	Yes	-
7	Working in the northeast area and aspirational districts on Education & Infrastructure development	(ii)	Yes/No	Nagaland	Dimapur	3 Years	10.00	9.94	0.06	Yes	-
8	Setting up of Skill Labs/Centres in the villages and aspirational districts	(ii)	Yes/No	Nagaland	Dimapur	3 Years	7.00	7.00	0.00	Yes	-
9	Community Development & Women Empowerment	(iii)	Yes	Maharashtra	Pune	3 Years	1.00	0.73	0.27	Yes	-
10	Lakshya	(vii)	Yes	Maharashtra	Pune	3 Years	3.00	2.88	0.12	No	Lakshya
11	Support to Shivrushi Project	(v)	Yes	Maharashtra	Pune	3 Years	9.50	9.50	0.00	No	Maharaja Shivachhatrapati Pratishthan Trust
Total							280.00	218.78	61.22		

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of implementation - Direct (Yes/No)		Mode of Implementation - Through Implementing Agency	
				State	District		Direct (Yes/No)		Name	CSR Registration number
1	One time Educational Infrastructure and other initiatives	(x)	Yes	Maharashtra	Pune Satara	20.00	Yes		-	-
Total						20.00				

ANNEXURE “E”

INFORMATION AS PER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2025

A. CONSERVATION OF ENERGY

During the fiscal year 2024-25, Bharat Forge Ltd undertook several initiatives aimed at conserving energy and utilising alternative sources of energy. These projects were implemented across various locations and involved significant investments in energy conservation equipment. Below is a detailed description of the projects and their outcomes.

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

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

Cooling Systems:

Closed Type Cooling Tower Project: The Company implemented a closed type cooling tower project, which has improved energy efficiency and reduced water consumption.

Heating Systems:

Using Induction Heaters Instead of Fuel-Fired Furnaces: The Company has replaced fuel-fired furnaces with induction heaters, leading to energy savings and reduced emissions.

Motor and Pump Modifications:

Modification of Coolant Pump Motors: High-power coolant pump motors were replaced with lower-capacity motors, resulting in energy savings.

Heater Modifications: Modified heaters with lower power ratings were installed.

Lighting Systems:

Replacement of Old Lighting Systems: Old tube fittings were replaced with new LED fittings, resulting in energy savings.

Switching Provisions for Lighting: Switching provisions were added to control tube fittings, reducing energy wastage.

Replacement of Overhead Lights: Old overhead lights were replaced with more efficient ones.

Control Systems:

Installation of New MCB Boxes: New MCB boxes with switch provisions were installed to control fan usage, reducing unnecessary energy consumption.

II. Steps taken for utilising alternative sources of energy:

The Company has made strides in utilising alternative sources of energy, particularly renewable energy sources such as wind and solar power. The following steps have been taken:

Wind and Solar Energy Utilisation: The Company has harnessed wind and solar energy at multiple locations. A total of 31,388 MWh of Wind & 116,055 MWh Solar Generation of Electricity is used.

Renewable Energy Projects: Various renewable energy projects have been implemented, resulting in energy savings and reduced carbon emissions.

III. The Capital investment in energy conservation equipment:

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

LED Lighting Systems: Investment in LED lighting systems to replace old and inefficient lighting.

Coolant Pump Modifications: Investment in modifying coolant pump motors to lower-capacity motors, resulting in energy savings.

Technology Upgradation: Various energy-saving projects were implemented across different facilities, with investments in new technologies and equipment.

Renewable Energy Projects: Significant investments were made in renewable energy projects, including wind and solar power installations.

Closed Type Cooling Tower Project: Significant investment was made in the closed type cooling tower project, which has improved energy efficiency and reduced water consumption.

Induction Heaters: Investment in replacing fuel-fired furnaces with induction heaters, leading to substantial energy savings and reduced emissions.

These investments have not only contributed to energy conservation but also resulted in cost savings for the Company. A total of close to ₹ 70 million has been made as capital investment for all initiatives.

In conclusion, the Company has demonstrated a commitment to energy conservation and sustainability through various initiatives and investments. By implementing various energy efficiency initiatives, the Company has reduced its energy consumption. Additionally, the utilisation of alternative sources of energy, such as wind and solar power, has enhanced the Company's sustainability efforts. The capital investments in energy conservation equipment have improved energy efficiency and resulted in cost savings. These efforts reflect the Company's dedication to environmental responsibility and its approach to achieving long-term sustainability goals.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards technology absorption:

- Designed and developed heavy-duty helical & multistage planetary combination gearboxes with a forced lubrication system.
- Wishbone-type axles with the suspension system.
- Drop gearbox with inbuilt lubrication system.
- In-house engineered test bench with power regeneration and modular concept to test a wide range of aggregates.
- Developed helical internal gear and beveloid gear design and manufacturing capability.
- Use of alternative grade materials CS-1 & 9966 super for Die run size & Die life improvement.
- Use of split type design with change from hot shrink fit to cold press fit for Die cost reduction and lead time reduction.
- Energy-efficient nozzles in dry cutting for compressed air/energy saving.
- Montronix tool load sensors for prevention of tool breakage.
- Use of 3D scanning as input to cam for engage time reduction (avoid air cutting).
- Deep hole drilling operation established using gun drill up to 1100 mm from both sides on BFW machine.
- Additive manufacturing process development for biomedical implants like hip and knee.
- Direct energy deposition (DED) adoption for the repair of defence components. (Activity done for AWB Jabalpur, Indian Army)
- Vehicle control unit with IP67 certification for electric vehicles.
- Advanced CO₂ Cooling Integration for Environmentally Sustainable Machining Processes.

- Implementation of a Novel Chip Removal Mechanism to Improve Machine Uptime and for Continuous Manufacturing Operations.
- Die life improvement by Bi-Metal Welding Technology.
- Advanced Diagnostic Methods for Detection of Grinding Burns in Machined Components.
- Smart Centralised Chip Management System for Optimised Metal Waste Handling.
- Design and development of closed die forging process for Mount fixed (IN625) to be used in critical applications of the aerospace sector.
- Forging technology developed for Haynes 282 alloy.
- Forging technology developed for Haynes 188 alloy.
- Forging process optimisation for Aero engine flange (IN718).
- Development of different grades of ADI Cast iron for various products for JS Autocast.
- Knowledge Transfer and Expertise Development: Developed expertise in ADI casting heat treatment by literature survey & heat treatment trials.
- Casting quality Improvements: Casting quality improved by modifying inoculation & solidification techniques. (e.g. adding chills in actuator housing & avoiding chunky graphite by improving inoculation process).
- Design and Development of Hydro-strut for FICV.
- Design and Development of Hydro-jet for FICV.

Technical Papers:

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

- Influence of post-weld heat treatment on microstructure and corrosion behaviour of dissimilar friction welded joint of IN713LC super-alloy and AISI 4140 steel. Metallography, Microstructure, and Analysis 13 (2024) 400 - 409.
- On the role of upset pressure during friction welding of IN713LC and AISI 4140. Mater. Sci. Technol. Published online (2024). doi:10.1177/02670836241273483.
- Optimisation of Austenitising temperature to achieve desired properties of heavy section Austempered ductile Iron (ADI) Casting, ISSN0972-0480. Vol.26 No.11, November 2023.

IP Generation:

The Company's portfolio currently includes 139 filed patents (having 114 patent families) with 81 grants across jurisdictions and 29 design applications, of which 10 designs are registered. For the fiscal year 2024-25, the Company has filed 22 patents, received 10 grants, filed 19 design applications, and registered 7 designs.

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

- Improvements in Ice axe and crampon as per guidelines from the Indian Army.
- Additive manufacturing process parameters developed for higher layer thickness from 20 to 60 microns to increase productivity.
- New design and development of cooling channels in piercing punch for forging line due to life of die increased by 50%.
- By optimising the design and use of silicon-based rubber in the the re-coater of 3D printing M290 machine, cost reduction from ₹ 80K to ₹ 200.
- Implementation of a Novel Chip Removal Mechanism to Improve Machine Uptime and for Continuous Manufacturing Operations - Eliminates chip clogging to enhance productivity, reduce machine downtime for cleaning.

- New business development in the area of heat resistance exotic alloys (closed die forging for IN625, Haynes 282 & Haynes 188).
- Forging process optimised to reduce part manufacturing cost by 15-20%.
- Indigenous development of different grades of ADI Cast iron for various products
- Reduced cost and time for heat treatments by optimising chemistry for different grades and section thicknesses through the generation of a statistical model.
- New business opportunities to replace steel forgings with alternatives offering a 10% weight reduction.
- Indigenous development of Hydro-strut and Hydro-jet for FICV

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

Details of Technology Imported (product)	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
Establishment of a green hydrogen generation laboratory	2022	Yes	-
Conversion of green hydrogen to electrical energy using fuel cell	2023	Yes	-
3D Printing Machine Formlabs 3+	2024	Yes	-
3D printing Machine Raise 3D Pro 3 HS	2024	Yes	-

IV. Expenditure on Research and Development:

		In ₹ Million
Sl. No.	Particulars	Amount
i)	Capital	16.66
ii)	Recurring	564.80
iii)	Total R&D expenditure	581.46
iv)	Total Income	90,025.83
v)	Total R&D expenditure as a percentage of total income	0.65%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

- Heavy-duty truck segments showed positive growth trends in the first half whereas faced headwinds in the second. Similar trend was seen in all global markets. In North America, we registered YOY growth due to increased market share.
- Strong YOY growth in the Industrial segment driven by a surge in demand for power generation.
- Continued to register significant business wins across different global segments, customers, and regions.
- Several performance recognitions from marquee customers across the world.
- Growth initiatives underway in developing New Products and New Customers.

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

- Total Foreign Exchange earnings: ₹ 47,589.03 million
- Total Foreign Exchange outgo: ₹ 10,748.47 million

SECRETARIAL COMPLIANCE REPORT OF BHARAT FORGE LIMITED
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To,

The Members,

Bharat Forge Limited,

Mundhwa, Pune Cantonment, Pune - 411036.

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Bharat Forge Limited** bearing **CIN: L25209PN1961PLC012046** (hereinafter referred to as the listed entity), having its registered office at Mundhwa, Pune Cantonment, Pune - 411036 in terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorised representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the Financial Year ended on **March 31, 2025 (review period)** complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, **SVD & Associates Company Secretaries**, have examined:

- all the documents and records made available to us and explanation provided by the listed entity
- the filings/submissions made by the listed entity to the stock exchanges
- website of the listed entity
- any other document/filing, as may be relevant, which has been relied upon to make this certification.

For the year ended **March 31, 2025** in respect of compliance with provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the Circulars/Guidelines issued thereunder have been examined, include:

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI LODR)
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (SEBI ICDR)
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (SEBI SAST)
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(not applicable to the listed entity during the review period)**
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (SEBI SBEB) **(not applicable to the listed entity during the review period)**
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- h.

The Securities and Exchange Board of India (Depositories and Participants Regulations), 2018;
- i.

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;
- j.

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

And Circulars/Guidelines issued thereunder;

Based on the above examination, we hereby report that, during the review period:

- a.

The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, **except** in respect of matters specified below:

Sr. No.	1
Compliance Requirement (Regulation/ Circulars/guidelines including specific clause)	At least half of the board of directors of the listed entity shall consist of independent directors
Regulation/Circular No.	Regulation 17 (1) of SEBI LODR.
Deviations	Imbalance due to inadequate number of Independent Directors on the Board of the listed entity
Action Taken by	BSE Ltd (BSE) & National Stock Exchange of India Ltd (NSE)
Type of Action (Advisory/Clarification/ Fine/Show cause Notice/Warning etc)	BSE & NSE have levied fine vide communication dated November 21, 2024 and March 17,2025 respectively for the imbalance for quarter ended September 30, 2024 and quarter ended December 31, 2024.
Details of Violation	During the Period between September 4, 2024 and December 30, 2024 there was an imbalance in the composition of the Board of the Company due to the completion of tenure of some of the Independent Directors and the Company was not able to appoint the adequate number of Independent Directors on the Board in terms of Regulation 17 (1) of SEBI LODR during this period.
Fine Amount	INR. 1,59,300/- (inclusive of GST) each by BSE & NSE for a period from September 04, 2024 to September 30, 2024 and INR. 5,31,000/- (inclusive of GST) each by BSE & NSE for a period from October 01, 2024 to December 30, 2024.
Observations/Remarks of the Practising Listed entity Secretary	As clarified by the management, the listed entity is required to take prior approval from the Ministry of Home Affairs (MHA) and the Department for Promotion of Industry and Internal Trade (DPIIT) (collectively referred to as "Licencing Authorities") for appointing a person as Director of the listed entity (requisite approval). The listed entity had made the necessary application for requisite approval proposing the candidature of some identified candidates for inducting them as Non-Executive Independent Director(s) on the Board of the listed entity. However, they could not proceed with the appointment of any Independent Director till the requisite approval was received from the Licencing Authorities. In our opinion, the deviation as mentioned above, is due to the time required in receiving the requisite approval which is not under the control of the listed entity.

Management Response	The listed entity is in possession of arms licences to undertake manufacturing of various defence products stated therein. The said licences are issued by the Ministry of Home Affairs (MHA) and the Department for Promotion of Industry and Internal Trade (DPIIT) (collectively referred to as "Licencing Authorities") and the listed entity is required to comply with the provisions of Arms Rules, 2016. As per Rule 55 (8) of the Arms Rules, 2016, prior approval of the Licencing Authorities is mandatory for any change in directorship of the listed entity. Accordingly, the listed entity had submitted an application well in advance to the Licencing Authorities for seeking their prior approval for the induction of Non-Executive Independent Director(s) on its Board and was awaiting requisite approval from MHA and DPIIT for appointment of Independent Directors on the Board. The MHA granted its approval on November 12, 2024, and the DPIIT granted its approval on December 30, 2024. The Board of Directors, through circular resolution, appointed the Independent Directors on the same day and completed all related compliances thereafter.
Remarks	The Composition of the Board has been duly complied with on December 30, 2024 and the fine levied by BSE & NSE has been paid by the listed entity within the prescribed time. The listed entity has applied for a waiver of said fine levied on December 31, 2024 and the actions taken are satisfactory.

- b.

The listed entity has taken the following actions to comply with the observations made in the previous reports:

Sr. No.	1
Observations/Remarks of the Practising Company Secretary in previous report	There was a delay in intimating the record date in terms of Regulation 60(2) of SEBI LODR to NSE where the NCDs are listed. The Fine levied has been paid on October 11, 2023 i.e. within the prescribed timeline.
Observations made in the secretarial compliance report for the year ended 2023-24	March 31, 2024
Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Advance intimation of record date for payment of interest/principal amount of Non-Convertible Debentures (NCD's) to the stock exchange
Details of violation/deviations and actions taken/penalty imposed, if any, on the listed entity	Delayed compliance of the Regulation 60(2) of SEBI LODR
Remedial actions, if any, taken by the listed entity	As informed by the listed entity, it has appropriately determined the record date and made payment of interest and principal (in part) to the NCD Holders on August 4, 2023 which is within the stipulated time period. However, there was an inadvertent delay in intimating the record date for the same to NSE. The fine levied has been paid to NSE on October 11, 2023 i.e. within the prescribed timeline. The listed entity has avoided the repetition of this deviation during the review period.
Comments of the Practising Company Secretary on the actions taken by the listed entity	Fine of ₹ 10,000/- levied by NSE has been paid by the listed entity within the prescribed time and the actions taken are satisfactory

c. We hereby report that, during the review period the compliance status of the listed entity with the following requirements

Sr. No.	Particulars	Compliance status	Observations/Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Nil
2.	Adoption and timely updation of the Policies: - All applicable policies under SEBI Regulations are adopted with the approval of the Boards of directors of the listed entities - All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI.	Yes Yes	Nil
3.	Maintenance and disclosures on Website: - The Listed entity is maintaining a functional website - Timely dissemination of the documents/information under a separate section on the website - Web links provided in the annual corporate governance reports under Regulation 27(2) are accurate and specific which redirect to the relevant document(s)/section of the website	Yes Yes	Nil
4.	Disqualification of Director: None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	Nil
5.	Details related to Subsidiaries of listed entities: - Identification of material subsidiary companies - Requirements with respect to disclosure of material as well as other subsidiaries	Yes Yes	Nil
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per the Policy of Preservation of Documents and Archival policy prescribed under the LODR Regulations.	Yes	Nil
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	Nil

Sr. No.	Particulars	Compliance status	Observations/Remarks by PCS
8.	Related Party Transactions: - The listed entity has obtained prior approval of the Audit Committee for all Related party transactions - In case no prior approval is obtained, the listed entity shall provide detailed reasons along with confirmation on whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	Yes NA	The listed entity has obtained prior approval of the Audit Committee
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of the LODR Regulations within the time limits prescribed thereunder.	Yes	Nil
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil
11.	Actions taken by SEBI or Stock Exchange(s), if any: No actions taken against the listed entity/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder (or) The actions taken against the listed entity/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	Yes No	1. Actions taken against the listed entity pursuant to SOP Non-compliance have been identified in table A above. 2. Action taken against Promoter/Director: Pursuant to the procedure stipulated in Section VII-A Para 6.6 of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023. (the then applicable master circular) demat account of the Promoter of the listed entity was suspended for debits from July 26, 2024 up to November 26, 2024 by the concerned Depository on the direction of the recognised Stock Exchanges due to non-compliances by BF Utilities Limited in which he is a Promoter.

Sr. No.	Particulars	Compliance status	Observations/Remarks by PCS
			3. In the matter of non-payment of dividend to Capricorn UK Holdings Limited ("CUHL"), by Vedanta Limited ("Vedanta"), the SEBI vide order dated March 12, 2024 ("Impugned Order"), debarred Mrs. Lalita D. Gupte, being Independent Director of Vedanta (during the period from February 29, 2015 to November 07, 2020), and an Independent Director of the listed entity till conclusion of her second term on September 3, 2024, from accessing the securities market and further prohibited from trading and dealing in securities for the period of 1 Month from the date of the said Order. On Appeal of Vedanta, the Hon'ble Securities Appellate Tribunal vide its order dated March 20, 2024, stayed the effect and operation of the Impugned Order subject to a deposit of 50% of the interest amount determined to be payable to CUHL as per the Impugned Order which has been deposited by Vedanta with the SEBI within the prescribed timeline. As on the date of this report, the matter is pending for hearing before the Securities Appellate Tribunal and the aforementioned stay will continue during the pendency of the Appeal.
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 on compliance with the provisions of the LODR Regulations by listed entities.	NA	There is no case of resignation of Statutory Auditor from the Listed Entity or its Material Subsidiaries during the Review Period.

Sr. No.	Particulars	Compliance status	Observations/Remarks by PCS
13.	Disclosure about Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the SEBI LODR: As detailed in SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 Para 11 the secretarial compliance report issued by a Peer Reviewed Company Secretary under regulation 24A(2) of the LODR Regulations shall include a confirmation on compliance with the following requirements by the listed entity: a. The scheme document has been uploaded on the website of the listed entity after obtaining shareholder approval as required under SEBI (SBEB) Regulations, 2021. b. The documents uploaded on the website have minimum information disclosed to shareholders as per SEBI (SBEB) Regulations, 2021. c. The rationale for redacting information from the documents and the justification as to how such redacted information would affect have competitive position or reveal commercial secrets of the listed entity is placed before the Board of directors for consideration and approval.	NA NA NA	 The listed entity does not have an Employee Benefit Scheme in terms of the SEBI SBEB Regulations, 2021 during the Review Period.
14.	No additional non-compliances observed: No additional non-compliance observed for any of the SEBI regulations/circular/guidance notes etc. except as reported above.	Yes	Nil

For **SVD & Associates**
Company Secretaries

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

Peer Review No: 6357/2025
UDIN: F006156G000265008

Place: Pune
Date: May 08, 2025

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

ANNEXURE A

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

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

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that the audit evidence and information obtained from the Company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidence provided physically and through electronic mode.
5. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

DISCLAIMER

6. The Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

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

Peer Review No: 6357/2025
UDIN: F006156G000265008

Place: Pune
Date: May 08, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bharat Forge Limited** (hereinafter referred to as **the Company**), bearing **CIN: L25209PN1961PLC012046** having registered office at Mundhwa, Pune Cantonment, Pune - 411036, produced before us by the Company on email for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for **the financial year ending on March 31, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of appointment
1	Babasaheb Neelkanth Kalyani	00089380	30/03/1993
2	* Pratap Govind Pawar	00018985	24/05/2005
3	Basavraj Prabhakar Kalyani	00267202	23/05/2006
4	Subodh Eknath Tandale	00266833	23/05/2006
5	* Lalita Dileep Gupte	00043559	06/08/2008
6	# Amit Babasaheb Kalyani	00089430	11/05/2009
7	* Hayagreeva Ravikumar Puranam	00280010	20/05/2009
8	* Vimal Bhandari	00001318	08/02/2013
9	# Dipak Balasaheb Mane	01215889	21/06/2019
10	§ Murali Sivaraman	01461231	21/06/2019
11	Kanwar Bir Singh Anand	03518282	27/06/2022
12	Sonia Singh	07108778	27/06/2022
13	Ashish Bharat Ram	00671567	01/09/2023
14	@Anand Pathak	01529308	12/07/2024
15	^ Ravi Kapoor	00185981	30/12/2024
16	^ Rashmi Satish Joshi	06641898	30/12/2024

Note:

- # Mr. Amit Kalyani DIN: 00089430 has been re-appointed as (Vice Chairman and Joint Managing Director) Executive Whole-time Director of the Company and Mr. Dipak Mane DIN: 01215889 has been re-appointed as Non-Executive Independent Director of the Company vide Postal ballot Dated May 10, 2024.

- \$ Mr. Murali Sivaraman DIN: 01461231 has ceased to be a Non-Executive Independent Director of the Company w.e.f. June 20, 2024.
- @ Mr. Anand Pathak DIN: 01529308 has been appointed as a Additional, Non-Executive Independent Director of the Company w.e.f. July 12, 2024 through Circular Resolution and regularised in the Annual General Meeting dated August 09, 2024.
- * Mr. Pratap Pawar DIN: 00018985, Mr. Vimal Bhandari DIN: 00001318, Mr. Hayagreeva Puranam DIN: 00280010, Mrs. Lalita Gupte DIN: 00043599 have ceased to be Non-Executive Independent Directors of the Company w.e.f. September 03, 2024 upon completion of their terms.
- ^ Mr. Ravi Kapoor DIN: 00185981 and Ms. Rashmi Joshi DIN: 06641898 have been appointed as Additional, Non-Executive Independent Directors of the Company w.e.f. December 30, 2024 through Circular Resolution and regularised via Postal Ballot dated February 14, 2025.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

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

Peer Review No: 6357/2025
UDIN: F006156G000265030

Place: Pune
Date: May 08, 2025

Note: We have relied on the documents and evidence provided through electronic mode, for the purpose of issuing this certificate.

Report on Corporate Governance

I. CORPORATE GOVERNANCE PHILOSOPHY

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

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

II. BOARD OF DIRECTORS

Composition of the Board

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

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Sections 149 and 152 of the Companies Act 2013 (“the act”). As on March 31, 2025, the Company has 11 (Eleven) Directors. Of the Eleven Directors, six (i.e. 54.54 %) are Independent Directors, including two women Independent Directors, four (i.e. 36.36%) are Executive Directors (including the Chairman and Managing Director, who is a Promoter Director), and one (i.e. 9.09 %) is a Non-Executive Non-Independent Director.

Confirmation from Directors

All the Directors on the Board of the Company have confirmed that they are not debarred or disqualified from being appointed or continuing to act as Directors of the Company in terms of any order of the Securities and Exchange Board of India (“SEBI”), Ministry of Corporate Affairs (“MCA”) or any such statutory authority/ies. None of the Directors of the Company holds directorship in more than ten public Companies, serves as Director or as Independent Director in more than seven listed entities and directors who are Executive Director serve as Independent Directors in more than three listed entities.

All Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (“the Act”) along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as Independent Directors. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the Listing Regulations and that they are independent of the Management and the Company. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Number of Board Meetings and Attendance of Directors

During the financial year 2024-25, the Board of the Company met 6 (Six) times, in compliance with the provisions of the Act and Listing Regulations with a maximum and minimum time gap of 97 (Ninety-Seven) and 9 (Nine) days respectively between two Board Meetings. The said meetings were held on April 3, 2024; May 8, 2024; July 29, 2024; August 8, 2024; November 14, 2024 and February 12, 2025. The necessary quorum was present for all the Board Meetings.

Information Supplied to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted with the consent of all the Independent Directors. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

Directors’ Directorship(s), Committee Membership(s)/Chairmanship(s) and Attendance of Directors

The name and categories of the Directors on the Board, the number of Directorship(s) and Committee Membership(s)/ Chairmanship(s) held by each one of them in other Indian Public Limited Companies as on March 31, 2025, and attendance in the Board meetings and Annual General Meeting (“AGM”) held during the financial year 2024-25 are given herein below in Table 1. Other directorships do not include directorships of private limited companies, foreign companies and Companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or a Chairperson of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of the limit of the Board Committees, Chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1) (b) of SEBI Listing Regulations.

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

Name of the Directors and DIN	Number of Board Meetings attended during the FY 2024-25	Whether attended last AGM held on August 9, 2024	Category	Number of Directorships in Public Companies including this public Company	Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
					Chairman	Member	
Mr. B. N. Kalyani	5	Yes	Promoter-Executive	5	1	3	1. Kalyani Steels Limited ^N 2. BF Utilities Limited ^N 3. Automotive Axles Limited ^N
® Mr. Amit B. Kalyani	6	Yes	Promoter-Executive	7	0	2	1. Kalyani Steels Limited ^N 2. Schaeffler India Limited ^{ID} 3. BF Utilities Limited ^N 4. Hikal Limited ^N 5. BF Investment Limited ^N 6. Kalyani Investment Company Limited ^N
Mr. S. E. Tandale	6	Yes	Executive	1	0	0	NIL
Mr. B.P. Kalyani	6	Yes	Executive	1	0	0	NIL
Mr. Ashish Bharat Ram	6	Yes	Non-Executive Non-Independent	6	1	1	1. SRF Limited Ltd. ^{ED} 2. KAMA Holdings Limited ^N 3. Havells India Limited ^{ID}
Mr. K.B.S Anand	6	Yes	Non-Executive-Independent	6	1	6	1. Borosil India Limited ^{ID} 2. Tata Chemicals Limited ^{ID} 3. Galaxy Surfactants Limited ^{ID} 4. Lupin Limited Limited ^{ID} 5. UFO Moviez India Limited ^{ID}
* Mr. Anand Pathak	4	Yes	Non-Executive-Independent	1	-	-	NIL

Name of the Directors and DIN	Number of Board Meetings attended during the FY 2024-25	Whether attended last AGM held on August 9, 2024	Category	Number of Directorships in Public Companies including this public Company	Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
					Chairman	Member	
Ms. Sonia Singh	6	Yes	Non-Executive-Independent	6	2	2	1. Pfizer Limited ^{ID} 2. BASF India Limited ^{ID} 3. Kansai Nerolac Paints Limited ^{ID} 4. Voltas Limited ^{ID}
% Mr. Dipak Mane	6	Yes	Non-Executive-Independent	1	NIL	NIL	NIL
^ Mr. Ravi Kapoor	1	NA	Non-Executive-Independent	2	NIL	1	1. Dabur India Limited ^{ID}
^ Ms. Rashmi Joshi	1	NA	Non-Executive-Independent	1	NIL	NIL	NIL
# Mr. P.G. Pawar	4	Yes	Independent Non-Executive	NA	NA	NA	NA
# Mrs. Lalita D. Gupte	4	Yes	Independent Non-Executive	NA	NA	NA	NA
# Mr. P. H. Ravikumar	3	Yes	Independent Non-Executive	NA	NA	NA	NA
# Mr. Vimal Bhandari	4	Yes	Independent Non-Executive	NA	NA	NA	NA
^ Mr. Murali Sivaraman	2	Yes	Independent Non-Executive	NA	NA	NA	NA

N Non-Executive Non-Independent
ID Independent, Non-Executive
ED Executive
% re-appointed as an Independent Director of the Company w.e.f. May 10, 2024.
& ceased to be an Independent Director of the Company w.e.f. June 20, 2024 after the completion of his tenure.
* appointed as an Independent Director of the Company w.e.f. July 12, 2024.
ceased to be an Independent Director of the Company w.e.f. September 03, 2024 after the completion of their tenure.
^ appointed as an Independent Director of the Company w.e.f. December 30, 2024.
@ re-appointed as Whole Time Director designated as Vice Chairman and Joint Managing Director w.e.f. May 10, 2024.

Independent Directors

In the opinion of the Board of Directors, each Independent Director fulfills conditions specified in the Section 149(6) of the Act and Listing Regulations, each one is independent of the Management. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at the link: https://www.bharatforge.com/assets/pdf/investors/Terms_of_Appointment_of_Independent_Director-clean.pdf

Your Company recognises the crucial role that Independent Directors play in ensuring an efficient and transparent work environment. Hence, during the year 2024-25, 1 (one) meeting of Independent Directors was held on April 18, 2024, without the presence of any Non-Independent Director and senior Management of the Company. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and the Board as a whole. The outcome of the meeting was presented to the Board along with the course of actions taken for implementing the observations/ suggestions received from the Independent Directors.

All new Independent Directors inducted to the Board are introduced to our Company culture through orientation sessions. Executive Directors and senior management provide an overview of operations and familiarise the new Non-Executive Directors on matters related to our values and commitments. They are also introduced to the organisation structure, services, group structure and subsidiaries, constitution, Board procedures and business strategy. The details of familiarisation programme for the Independent Directors are available on the website of the Company and can be accessed at the link: <https://www.bharatforge.com/assets/pdf/investors/familiarisation-programme-for-independent-directors.pdf>

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

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

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

Table 2: Key Qualifications, Skills and Attributes

Sr. No.	Areas of expertise required	Description
A1	Strategic Planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies, and priorities.
A2	Business Operations	Experience in driving business success in markets around the world with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks and a broad perspective on market opportunities.
A3	Technology	Significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
A4	Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.
A5	Finance Acumen	Ability to comprehend, interpret and guide on financial management, reporting, controls, and analysis.
A6	Governance and Risk Management	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.

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

Table 3: Areas of Expertise

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

IV. BOARD COMMITTEES

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Board has constituted 5 mandatory and 1 voluntary committee, details of which are as mentioned below. The Chairperson of the respective committee informs the Board about the summary of the discussions held in the committee meetings and recommendations of the committees are submitted to the Board for approval. The minutes of the meeting of all committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. During the year, all recommendations of the committees were approved by the Board. The Company Secretary acts as the secretary of all the Board Committees.

BOARD COMMITTEES AS ON MARCH 31, 2025		
Audit Committee - Mr. K. B. S. Anand Chairperson - Mr. Ravi Kapoor Independent Director - Ms. Rashmi Joshi Independent Director	Nomination & Remuneration Committee - Mr. Dipak Mane Chairperson - Mr. Ashish Bharat Ram Non Executive Non independent - Ms. Sonia Singh Independent Director - Ms. Rashmi Joshi Independent Director	Corporate Social Responsibility Committee - Mr. B.N. Kalyani Chairperson - Mr. Anand S. Pathak Independent Director - Mr. K.B.S Anand Independemt Diredtcor - Mr. Amit B. Kalyani Independent Director
Stakeholders Relationship Committee - Mr. Anand Pathak Chairperson - Mr. B.N. Kalyani Executive Director - Mr. Amit B. Kalyani Executive Director - Ms. Sonia Singh Independent Director	Risk Management Committee - Mr. B.N. Kalyani Chairperson - Mr. Amit Kalyani Executive Director - Mr. Ashish Bharat Ram Non Executive Non Independnet - Ms. Rashmi Joshi Independent Director	Environmental, Social & Governance Committee - Mr. Amit Kalyani Chairperson - Mr. Ravi Kapoor Independent Director - Mr. Dipak Mane Independent Director - Ms. Sonia Singh Independent Director

1. Audit Committee

Terms of Reference

The primary roles/responsibilities of the Audit Committee are:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- d. Reviewing with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval;
- e. Reviewing with the management, the statement of uses/application of funds raised through an issue; and
- f. Approval or any subsequent modification of transactions of the Company with related parties.

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

2. Nomination and Remuneration Committee

Terms of Reference

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

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

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

Reward Philosophy

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

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

3. Corporate Social Responsibility (CSR) Committee

Terms of Reference

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

- a. To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Act including a statement containing the approach and direction given by the Board, guiding principles for selection, implementation and monitoring of CSR projects/programmes, as well as formulation of the Annual Action Plan;
- b. To recommend to the Board, the Annual Action Plan in accordance with the applicable laws;
- c. To recommend the amount of expenditure to be incurred on the CSR projects/programmes, list of projects to be undertaken within the purview of Schedule VII of the Act,
- d. To monitor the progress of the Annual Action Plan and the multi-year programmes, their manner of execution, modalities of fund utilisation, project implementation schedules, reporting mechanism along with details of need and impact assessment for projects as required, etc.;
- e. To monitor the CSR Policy of the Company from time to time; and
- f. To act in terms of any consequent statutory modification(s)/amendment(s)/revision(s) to any of the applicable provisions to the said Committee;

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

4. Stakeholders Relationship Committee

Terms of Reference

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

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

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

Number of complaints received and redressed during the year 2024-25

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

Table 4: Summary of Investor Complaints

Number of complaints outstanding as on April 1, 2024	1
Number of complaints received during the year ended March 31, 2025	25
Number of complaints resolved during the year ended March 31, 2025	26
Number of complaints pending as on March 31, 2025	0

5. Risk Management Committee

Terms of Reference

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

- a. To formulate a detailed risk management policy and a business continuity plan;
- b. To formulate a framework for the identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- c. To formulate measures for risk mitigation including systems and processes for internal control of identified risks/ monitor and oversee implementation of the risk management policy/evaluating the adequacy of risk management systems;
- d. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company; and
- e. To monitor, oversee implementation and periodically review the risk management policy, at least once in two years, considering the changing industry dynamics and evolving complexity;

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

6. Environmental, Social and Governance Committee

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

Terms of Reference

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

- a. To guide the Board in developing and implementing the ESG strategy, initiatives and policies for the Company.
- b. To review emerging risks and opportunities associated with ESG issues related to the Company that have the potential to impact the reputation and business performance of the Company in consultation with the Risk Management Committee of the Board.
- c. To ensure that the Company is taking appropriate measures to implement actions to further its ESG strategy. The Committee shall have access to any internal information necessary to fulfil its role, in this regard.
- d. To review and oversee the development and implementation of targets, standards and metrics established by management to assess and track the Company's ESG performance.
- e. To review any statutory requirements for sustainability reporting including reporting under the Annual Report of the Company.

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

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

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Environmental, Social and Governance Committee
No. of meetings held	7	3	1	2	2	2
Date of meetings	• April 29, 2024 • May 8, 2024 • July 29, 2024 • August 8, 2024 • November 14, 2024 • December 16, 2024 • February 12, 2025	• April 1, 2024 • May 6, 2024 • November 14, 2024	• May 6, 2024	• May 8, 2024 • February 12, 2025	• April 3, 2024 • October 28, 2024	• May 7, 2024 • February 12, 2025
No. of Meetings Attended						
Name of Member						
#Mr. P. G. Pawar	4	2	1	1	-	-
#Mr. P. H. Ravikumar	3	-	-	-	-	-
#Mr. Vimal Bhandari	4	2	-	-	1	-
Mr. B. N. Kalyani	-	-	1	2	2	-
@Mr. Amit Kalyani	-	-	-	2	2	2
#Mrs. Lalita D. Gupte	-	-	1	-	-	-
%Mr. Dipak Mane	-	3	-	-	-	2
^Mr. Murali Sivaraman	-	-	-	-	1	0
Mr. K.B.S Anand	3		-	1	1	-
Ms. Sonia Singh	2	1	-	-	-	1
*Mr. Anand Pathak	-	-	-	1	-	-
^Mr. Ravi Kapoor	1	-	-	-	-	1
^Ms. Rashmi Joshi	1	-	-	-	-	-
Mr. Ashish Bharat Ram	2	1	-	-	-	-
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings					

- & ceased to be an Independent Director of the Company w.e.f. June 20, 2024 after the completion of his tenure
- @ Reappointed as Whole-Time Director designated as Vice Chairman and Joint Managing Director w.e.f. May 10, 2024.
- * appointed as an Independent Director of the Company w.e.f. July 12, 2024.
- ** re-appointed as an Independent Director of the Company w.e.f. June 21, 2024.
- # ceased to be an Independent Director of the Company w.e.f. September 03, 2024 after the completion of their tenure.
- ^ appointed as an Independent Director of the Company w.e.f. December 30, 2024.
- % re-appointed as an Independent Director of the Company w.e.f. May 10, 2024.

Functional Committee

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

Compliance Officer

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

Senior Management

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

Table 6: Particulars of Senior Management

Sr. No.	Name	Designation	Changes during the year, if any	Nature of change
1)	Mr. Santosh Bhave	Director - HR & IR	Yes	Ceased to be senior management w.e.f. September 09, 2024 due to retirement
2)	Mr. Guru Biswal	Chief Executive Officer – Aerospace Business	No	-
3)	Mr. Neelesh Tungar	President – Defence Business	Yes	Ceased to be senior management w.e.f. September 09, 2024 as he was transferred to a subsidiary of the Company.
4)	Mr. Sumeet Banga	President and CEO – Industrial Business	No	
5)	Mr. Yogesh Zope	Chief Information Officer	No	-
6)	Mr. Kedar Dixit	Chief Financial Officer	No	-
7)	Mr. Jitendra Mande	Sr. Vice President - Quality	Yes	Ceased to be senior management w.e.f. September 25, 2024
8)	Mr. S. Rajhagopalan	Vice President - Investor Relations	No	-
9)	Mr. Muthumohanraj R. M.	Vice President – Lightweighting Technology	No	-
10)	Mr. Nitin Shesh	Vice President - Internal Audit & Assurance	No	-
11)	Mr. Atul Jagtap	Vice President - Materials	Yes	Ceased to be senior management w.e.f. November 14, 2024
12)	Ms. Tejaswini Chaudhari	Company Secretary & Compliance Officer	No	-
13)	Mr. Krishnan Iyer	President and COO – Manufacturing Operations	Yes	Designated as senior management w.e.f. November 14, 2024
14)	Mr. Srinivasu Malladi	Vice President - Human Resources	Yes	Designated as senior management w.e.f. November 14, 2024

Remuneration of Directors

Information on the remuneration of Directors for the year ended March 31, 2025, is as mentioned in the table below:

Remuneration paid or payable to Directors for the year ended March 31, 2025 and relationships of the Directors with each other

a) Non-Executive Directors

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

In ₹				
Name of the Director	Relationship with other Directors*	Sitting Fees**	Commission***	Total
Mr. P. G. Pawar	None	10,00,000	40,00,000	50,00,000
Mrs. Lalita D. Gupte	None	4,50,000	18,00,000	22,50,000
Mr. P. H. Ravikumar	None	6,00,000	24,00,000	30,00,000
Mr. Dipak Mane	None	8,50,000	34,00,000	42,50,000
Mr. Murali Sivaraman	None	2,50,000	10,00,000	12,50,000
Mr. Vimal Bhandari	None	9,50,000	38,00,000	47,50,000
Mr. K. B. S. Anand	None	10,00,000	40,00,000	50,00,000
Ms. Sonia Singh	None	9,00,000	36,00,000	45,00,000
Mr. Ashish Bharat Ram	None	8,50,000	34,00,000	42,50,000
Mr. Anand Pathak	None	4,50,000	18,00,000	22,50,000
Mr. Ravi Kapoor	None	2,50,000	10,00,000	12,50,000
Ms. Rashmi Joshi	None	2,00,000	8,00,000	10,00,000

b) Executive Directors

Table 8: Remuneration paid or payable to Executive Directors

In ₹						
Name of the Director	Relationship with other Directors*	Salary & Perquisites\$	Provident Fund & Superannuation Fund	Long Term Cash Incentive (LTCI)	Commission***	Total
Mr. B. N. Kalyani (Chairman and Managing Director)	Father of Mr. Amit Kalyani	182,669,589	7,858,080	-	66,500,000	257,027,669
Mr. Amit Kalyani	Son of Mr. B. N. Kalyani	47,652,836	3,863,520	-	47,500,000	99,016,356
Mr. B. P. Kalyani	None	31,700,853	1,684,512	2,400,000	190,00,000	54,785,365
Mr. S. E. Tandale	None	36,172,822	1,931,580	3,500,000	190,00,000	60,604,402

Notes:

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

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

*** Commission proposed and payable after approval of accounts by the Shareholders in the ensuing AGM.

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

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

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

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

Table 9: Details of Equity Shares of the Company held by Directors as on March 31, 2025, are as mentioned in the table below:

Name of the Director	Number of equity shares held of ₹ 2/- each
Mr. B. N. Kalyani	78,150
Mr. Amit Kalyani	7,00,350
Mr. B. P. Kalyani	6,510
Mr. S. E. Tandale	208

Other Directors do not hold any equity shares of the Company. The Company does not have any convertible instruments as on March 31, 2025.

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

V. GENERAL BODY MEETINGS

Annual General Meeting

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

Table 10: Details of last three Annual General Meetings

Financial year ended	March 31, 2024	March 31, 2023	March 31, 2022
Day and Date of AGM	Friday, August 9, 2024	Thursday, August 10, 2023	Friday, August 12, 2022
Venue	Conducted through video conferencing/other audio-visual means		
Time	11.00 a.m. (I.S.T.)	11:00 a.m. (I.S.T)	11:00 a.m. (I.S.T)
Special Resolutions Passed	Appointment of Mr. Anand Pathak (DIN: 01529308) as an Independent Director of the Company	None	1. Appointment of Mr. K. B. S. Anand (DIN: 03518282) as an Independent Director of the Company 2. Appointment of Ms. Sonia Singh (DIN: 07108778) as an Independent Director of the Company

No Extraordinary General Meeting of the Members was held during the year 2024-25.

Postal Ballot

During the year 2024-25, the Company passed five resolutions by way of postal ballot as mentioned below:

Table 11: Details of the Postal Ballot

Date of Postal Ballot notice	Particulars of the resolution passed	Approval date	Scrutiniser	Voting results
April 3, 2024	Ordinary Resolution for re-appointment of Mr. Amit Kalyani as Whole-time Director designated as Vice-Chairman and Joint Managing Director of the Company	Friday, May 10, 2024	CS Sridhar Mudaliar, Partner of SVD & Associates (Membership No. FCS 6156) (CP No. 2664) Practising Company Secretaries	https://www.bharatforge.com/investors/shareholders-information/agm-postal-ballot-voting-results
April 3, 2024	Special Resolution for re-appointment of Mr. Dipak Mane (DIN 01215889), as an Independent Director of the Company.	Friday, May 10, 2024		
October 1, 2024	Special Resolution for Issuance of Securities upto ₹ 2,000 Crore (Rupees Two Thousand Crore)	Tuesday, November 12, 2024		
January 6, 2025	Special Resolution for appointment of Ms. Rashmi Joshi (DIN: 06641898) as an Independent Director of the Company.	Friday, February 14, 2025		
January 6, 2025	Special Resolution for appointment of Mr. Ravi Kapoor (DIN: 00185981) as an Independent Director of the Company.	Friday, February 14, 2025		

Procedure for Postal Ballot

All postal ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder, Regulation 44 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and applicable circulars issued by the MCA and SEBI from time to time.

Special Resolutions proposed to be conducted through Postal Ballot

The Board on the basis of recommendations of the Nomination and Remuneration Committee, proposed the re-appointment of Ms. Sonia Singh and Mr. K.B.S. Anand as Independent Directors of the Company from June 27, 2025 to June 26, 2030. Pursuant to the provisions of Listing Regulations, the approval of shareholders for appointment or re-appointment of a Director is required to be taken at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier. As the term of the above directors is going to end before the ensuing General Meeting, approval of shareholders is proposed to be taken through a postal ballot.

- The Board of Directors has, in its meeting held on Thursday, May 08, 2025 accorded their approval to conduct a Postal Ballot through electronic mode (i.e. through remote e-voting) for obtaining members' approval by:
 - Special Resolution for re-appointment of Ms. Sonia Singh (DIN: 07108778), as an Independent Director of the Company for a period of 5 (five) years with effect from June 27, 2025.
 - Special Resolution for re-appointment of Mr. K.B.S. Anand (DIN: 03518282), as an Independent Director of the Company for a period of 5 (five) years with effect from June 27, 2025.

VI. OTHER DISCLOSURES**1. Related Party Transactions**

All transactions entered into by and between the Company and related parties during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved the policy for related party transactions and it is available on the Company's website at the link: <https://www.bharatforge.com/assets/pdf/investor/download/BFL.RPT-Policy.pdf>

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

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

The details of loans and advances given during the year as well as outstanding as on the year ended March 31, 2025 are covered under Note No. 42, under the head 'Loans and advances in the nature of loans given to subsidiaries/associates and firms/companies in which directors are interested', forming part of Notes to Standalone Financial Statements.

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

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

- The NSE vide its letter dated August 2, 2022, reversed the penalty of ₹ 1,000/-, which was imposed for delayed submission of a report under Regulation 13(3) of Listing Regulations for the quarter ended September 30, 2021.
- The NSE vide letter dated September 14, 2022 has imposed a penalty of ₹ 1,000/- for delayed submission of a statement under Regulation 52(7)/(7A) of Listing Regulations, which has been paid by the Company within the prescribed time.
- The National Stock Exchange of India Limited ("NSE") vide letter dated October 3, 2023 had imposed a penalty of ₹ 10,000/- for delayed intimation of record date for payment of interest and redemption of principal (in part) of Non-convertible Debentures ("NCDs") to NSE pursuant to Regulation 60(2) of the Listing Regulations, which has been paid by the Company within the prescribed time.
- The NSE and BSE Limited (BSE) vide its letter/email dated November 21, 2024 had imposed a penalty of ₹ 1,59,300 (inclusive of GST) for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015.
- The NSE and BSE Limited (BSE) vide its letter/email dated March 17, 2025 had imposed a penalty of ₹ 5,31,000 (inclusive of GST) for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015. The Company has filed a waiver application to NSE in this regard.

4. Establishment of Vigil/Whistle Blower Mechanism

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

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

5. Policy on determining Material Subsidiaries

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

6. Disclosure of Accounting Treatment

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

Risk Management

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

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

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

The Company has managed foreign exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures. The Company's exposure to market risks for commodities and currencies is detailed in Note No. 53, under the head 'Financial risk management objectives and policies', forming part of Notes to Financial Statements.

8. CEO/MD and CFO Certification

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

9. Certificate from Practicing Company Secretary

The Company has obtained a Certificate dated May 8, 2025, from the Practising Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI, MCA or any such Authority.

10. Code of Conduct

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

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

11. Subsidiary Companies

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

12. Disclosure by Management to the Board

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

13. Complaints pertaining to sexual harassment

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

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

Table 12: Details of material subsidiaries

Sr. No.	Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of appointment of Statutory Auditors
1	Bharat Forge International Limited	December 3, 2010	London	Eacotts & Eacotts International Limited	May 2, 2023
2	Bharat Forge CDP GmbH	August 24, 2015	Ennepetal	WUP Truehand GmbH	March 17, 2022

15. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors and all entries in the network firm/network entity of which the Statutory Auditors is a part, are given in Table 13 below:

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

Particulars	₹ (in million)
BSR & CO LLP	
Audit Fee	15.15
Limited Review	8.06
Others (including certification fees)	4.38
Reimbursement of Expenses	1.69
Certification fees for QIP related work*	12.60
Sub Total (A)	41.88
KPMG Assurance and Consulting Services LLP	
Audit Fee	-
Limited Review	-
Others (including certification fees)	2.61
Reimbursement of Expenses	-
Sub Total (B)	2.61
KPMG S.A	
Audit Fee	2.51
Limited Review	-
Others (including certification fees)	-
Reimbursement of Expenses	-
Sub Total (C)	2.51
Total (A+B+C)	47.00

*Adjusted through Securities Premium of the Company

VII. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

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

1. Audit Qualification

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

2. Reporting of Internal Auditors

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

VIII. MEANS OF COMMUNICATION

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

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

1. Website

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

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

2. Presentations to Institutional Investors/Analysts

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

3. Filing with Stock Exchanges

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

4. Annual Report

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

IX. GENERAL SHAREHOLDER INFORMATION

1. Company Registration Details

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

2. Annual General Meeting

Day: Thursday

Date: August 7, 2025

Time: 11 a.m.

Venue: Through Video Conferencing

3. Financial Year

April 1, 2024 to March 31, 2025

4. Financial Reporting Calendar (Tentative) for FY 2025-26

Quarter ending June 30, 2025	on or before August 14, 2025
Quarter ending September 30, 2025	on or before November 15, 2025
Quarter ending December 31, 2025	on or before February 14, 2026
Audited results for the financial year 2025-2026	on or before May 29, 2026

5. Dividend

The Board has recommended a Final Dividend of ₹ 6.00/- (Rupees Six Only) per equity share of ₹ 2/- each (300%) for the year ended March 31, 2025, which, if approved, shall be paid on or after August 12, 2025. The Company has a policy for Dividend Distribution which is disclosed on its website at the link: <https://www.bharatforge.com/assets/pdf/corporateGovernance/Dividend-Distribution-Policy.pdf>

6. Unclaimed Dividend/Shares

Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies shall transfer dividend that has remained unclaimed for a period of 7 (seven) consecutive years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also mandate that the shares on which dividend has not been paid or claimed for 7 (Seven) consecutive years or more be transferred to the IEPF. The details are given in **Table 14**, below:

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

Financial Year	Type of Dividend	Dividend per share (₹)	Date of Declaration	Last date for claiming unpaid dividend	Amount (₹)*
2017-18	Final	2.50	August 9, 2018	October 15, 2025	2,581,958
2018-19	Interim	2.50	November 2, 2018	January 8, 2026	2,549,655
2018-19	Final	2.50	August 13, 2019	October 18, 2026	2,677,173
2019-20	Interim-I	1.50	November 8, 2019	December 13, 2026	1,945,611
2019-20	Interim-II	2.00	February 21, 2020	April 23, 2027	2,815,042
2020-21	Final	2.00	August 13, 2021	October 13, 2028	1,892,217
2021-22	Interim	1.50	November 12, 2021	December 17, 2028	1,280,407
2021-22	Final	2.00	August 12, 2022	September 8, 2029	4,130,955
2022-23	Interim	1.50	November 14, 2022	December 21, 2029	1,162,224
2022-23	Final	5.50	August 10, 2023	September 16, 2030	4,135,001
2023-24	Interim	2.50	February 12, 2024	March 20, 2031	3,513,781
2024-25	Final	6.50	August 09, 2024	October 22, 2031	77,805,772
2024-25	Interim	2.50	February 12, 2025	March 21, 2032	567,001 [#]

* Amount unclaimed as on March 31, 2025

[#] The Demand drafts issued to shareholders are valid for 3 months and hence are pending for encashment.

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

During the year, the Company has transferred the following unpaid/unclaimed dividend to IEPF:

- ₹ 18,74,318/- (Rupees Eighteen Lakh Seventy-Four Thousand Three Hundred and Eighteen) on April 8, 2024.
- ₹ 31,44,430/- (Rupees Thirty-One Lakh Forty-Four Thousand Four Hundred Thirty Only) on October 6, 2024.
- ₹ 29,66,078/- (Rupees Twenty-Nine Lakh Sixty-Six Thousand and Seventy-Eight Only) on December 19, 2024.

Shares transferred to IEPF

In terms of Section 124(6) of the Act read with the Rules, the Company has sent the notice to respective shareholders who have not claimed dividends for 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF during the financial year 2024-25. An advertisement stating the same has also been published in the newspapers. The list of equity shareholders whose shares are liable to be transferred to IEPF can be accessed on the website of the Company at the link: <https://www.bharatforge.com/investors/shareholders-information/IEPF>

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

- 8,500 equity shares of ₹ 2/- each on April 17, 2024.
- 92,436 equity shares of ₹ 2/- each on October 15, 2024
- 46,870 equity shares of ₹ 2/- each on January 8, 2025.

Equity Shares in Suspense Account

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

Table 15: Equity Shares lying in the Suspense Account

Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/- each
The aggregate number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2024	52	48990
No. of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
No. of shareholders to whom shares were transferred from the suspense account during the year	-	-
No. of shares transferred to the Demat Account of IEPF Authority during the year	1	1040
The aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	51	47950

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

7. Securities listed on Stock Exchanges

Table 16: Listing details

(a) Equity Shares

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

(b) Non-Convertible Debentures

Stock Exchanges	Securities (ISIN)	Stock code	Debenture Trustee
National Stock Exchange of India Limited ('NSE') Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India	Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures (INE465A08012)	BHFG25	AXIS TRUSTEE SERVICES LIMITED Address: The Ruby, 2 nd Floor, SW, 29 Senapati Bapat Marg, Dadar (W), Mumbai, 400 028 Contact No: 022-6230 0451 E-mail: debenturetrustee@axistrustee.in
	Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures (INE465A08020)	BHFG25	
	Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures (INE465A08038)	BHFG27	

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

8. Share Transfer Agents, Share Transfer and Demat System

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

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

The SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or

redemption in respect of such folios, only through electronic mode with effect from April 1, 2024 upon completion of all the documents/details in entirety as mentioned above. Shareholders may refer to details at RTA's web link at <https://linkintime.co.in/home-KYC.html> and also at the Company's website at the link <https://www.bharatforge.com/investors/shareholders-information/shareholder-download>

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

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

During the quarter ended September 30, 2024, and up to December 29, 2024, the composition of the Board of Directors of the Company was not in compliance with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as half of the Board members were not Independent Directors.

This deviation arose due to regulatory requirements applicable to the Company under Rule 55(8) of the Arms Rules, 2016. As the Company holds arms manufacturing licences issued by the Ministry of Home Affairs (MHA) and the Department for Promotion of Industry and Internal Trade (DPIIT), any change in directorship, including the appointment of Independent Directors, necessitates prior approval from these Licencing Authorities.

Accordingly, the Company submitted an application for approval of the appointment of two Independent Directors to the Licensing Authorities on September 3, 2024. The MHA granted its approval on November 12, 2024, and DPIIT's approval was received on December 30, 2024, following which the Board appointed Mr. Ravi Kapoor and Ms. Rashmi Joshi as Independent Directors on the same day i.e. December 30, 2024.

The Company was thus unable to comply with the stipulated Board composition requirements solely due to the time taken for regulatory approvals, which were beyond the Company's control. Upon receipt of the necessary approvals, the Company promptly regularised its Board composition in compliance with Regulation 17(1).

The deviation is due to the time required in receiving requisite approval from Licensing Authorities. Further, the Company has submitted a formal waiver application, pursuant to policy for exemption of fines levied as per the provisions of SEBI SOP Circular (Criteria 3(a) - Impossibility of Compliance) before the respective Stock Exchange(s) requesting for exemption from the imposed fines.

10. Reconciliation of Share Capital

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

11. Code of Conduct for Prevention of Insider Trading Practices

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

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

12. Shareholding as on March 31, 2025

Table 17: Pattern of shareholding by ownership as on March 31, 2025

Category of Shareholders	No. of Shareholders	No. of Shares held (₹ 2/- each)	Shareholding %
Promoters ¹	27	210,703,624	44.07
Public ²	214698	267,385,008	55.93
A. Institutions			
Mutual Funds (including Unit Trust of India)	30	99,248,633	20.75
Alternate Investment Funds	15	825,272	0.17
Foreign Portfolio Investors	454	76,839,787	16.06
Financial Institutions/Banks	9	31,990	0.06
Insurance Companies	23	38,222,266	7.99
Central Government/State Government(s)/ President of India	1	494	0.00
B. Non-Institutions			
Individuals	204861	35,602,386	7.45
NBFCs registered with RBI	3	4,355	0.00
Others	9302	16,609,825	3.47
Non-Promoter-Non-Public Shareholder	0	0	0.00
Total	2,14,725	478,088,632	100.00

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

Table 18: Distribution Schedule as on March 31, 2025

Category (Shares)	Number of Shareholders*	No. of shares held of ₹ 2/- each	Shareholding %
1 to 5000	218,246	24,027,419	5.03
5001 to 10000	787	5,708,404	1.19
10001 to 20000	394	5,496,949	1.15
20001 to 30000	128	3,142,555	0.66
30001 to 40000	64	2,195,224	0.46
40001 to 50000	44	1,978,749	0.41
50001 to 100000	113	7,912,280	1.65
100001 and above	270	427,627,052	89.45
Total	220,046	478,088,632	100.00

* Number of Shareholders without clubbing the PAN for Public shareholding

13. Dematerialisation of Shares and Liquidity

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2025, dematerialised shares accounted for 97.32% (97.19% as on March 31, 2024) of total equity share capital. The details of dematerialisation are given in Table 19 below.

Table 19: Dematerialisation of Shares as on March 31, 2025

Particulars	Position as on March 31, 2025		Position as on March 31, 2024		Net Change during 2024-25	
	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding
Physical	128,08,476	2.68*	13,086,724	2.81*	(278,248)	(0.13)
Demat:						
NSDL	448,088,885	93.72	433,544,840	93.12	14,544,045	0.60
CDSL	17,191,271	3.60	18,957,068	4.07	(1,765,797)	(0.47)
Sub- Total	465,280,156	97.32	452,501,908	97.19	12,778,176	0.13
Total	478,088,632	100	465,588,632	100	-	-

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

Table 20: Details of public funding obtained in the last three years and its implication on paid-up Equity Share Capital

Financial Year	Amount Raised through Public Funding (₹)	Effect on Paid-up Equity Share Capital (₹)
2024-25	1650 Cr. through the issue of shares to QIP.	12,500,000 equity shares were allotted to 95 QIPs thereby increasing the paid-up share capital by 479,36,94,108
2023-24	NIL	NIL
2022-23	NIL	NIL

The details of utilisation of QIP proceeds and pending utilisation as of March 31, 2025:

Particulars	Amount ₹ (in million)
QIP Proceeds	16,500.00
Less: utilized for issue expenses	(281.32)
Net QIP proceeds available	16,218.68
Investment in subsidiaries for repayment of loans*	
US Subsidiaries (BFA & BF Alu)	(5,493.47)
European subsidiaries (CDP & BFAT)	(3,377.58)
Kalyani Powertrain	(1,245.00)
JS Auto	(180)
Sub total	(10,296.04)
General corporate purpose	(422.25)
Balance funds parked with banks as on March 31, 2025	5,500.39

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

14. Plant Locations:

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

Table 21: Plant Locations

Sr. No.	Plant Location	Address
1.	Mundhwa	Mundhwa, Pune Cantonment, Pune – 411 036, Maharashtra, India.
2.	Chakan	Gat No.635, Kuruli Village, Chakan, Tal- Khed, District Pune – 410 501, Maharashtra, India.
3.	Satara	Opposite Jarandeshwar Railway Station, Post - Vadhuth, District Satara – 415 011, Maharashtra, India.
4.	Baramati	Tandulwadi & Wanjarwadi, Tal. Baramati, Dist. Pune – 413 206, Maharashtra, India.
5.	Lonikand	Shed - B, Gat No. - 41/1, Tulapur Phata, Nagar Road, Lonikand, Pune – 412216, Maharashtra, India.
6.	Mambattu	Industrial Park, Village-Mambattu, Ph-II, Tada Mandal, SPSR, Nellore District, Andhra Pradesh, India.

15. Investor Correspondence Address:

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

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

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

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

16. Credit Ratings

The Credit Ratings of the Company for all the credit facilities as on March 31, 2025, are given below in Table 22:

Table 22: Credit Ratings given to the Company

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

17. Disclosure of certain types of agreements binding listed entities

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2025.

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

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

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, B. N. Kalyani, Chairman and Managing Director of Bharat Forge Limited hereby declare that all the Board members and senior management personnel have affirmed for the year ended March 31, 2025, compliance with the Code of Conduct of the Company laid down for them.

Sd/-

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

Place: Pune
Date: May 8, 2025

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

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

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

- a) We have reviewed financial statements and the cash flow statement for the year 2024-25 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2024-25 which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control if any, over financial reporting during the year;
 - ii) significant changes in accounting policies if any, during the year and that the same have been disclosed in the notes to the financial statement; and
 - iii) instances of significant fraud, if any, of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

KEDAR DIXIT

Chief Financial Officer

Place: Pune

Date: May 8, 2025

Sd/-

B. N. KALYANI

Chairman and Managing Director

DIN: 00089380

CERTIFICATE FROM PRACTISING COMPANY SECRETARY
ON CORPORATE GOVERNANCE

To,

The Members

Bharat Forge Limited

We have examined the compliance of conditions of Corporate Governance by **Bharat Forge Limited** (hereinafter referred as **the Company**), for the Financial Year ended on **March 31, 2025** as stipulated in relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

1. During the Period from September 4, 2024 to December 30, 2024, the composition of the Board of Directors of the Company was temporarily imbalanced due to the completion of the tenure of certain Independent Directors. The Company was not able to comply with the requirements of Board Composition in terms of Regulation 17 (1) of SEBI LODR due to the mandatory requirement for obtaining prior clearance from the Ministry of Home Affairs (MHA) and the Department for Promotion of Industry and Internal Trade (DPIIT) (collectively referred as "Licensing Authorities") for the appointment of the new Independent Directors. The recognised Stock Exchanges i.e. BSE and NSE have levied fines of INR. 6,90,300/- (inclusive of GST) each. The Company has duly remitted the fines within the prescribed time period as stipulated by the exchanges. The composition of the Board has been duly complied as of December 30, 2024. The deviation is due to the time required in receiving requisite approval from Licensing Authorities. Further, the Company has submitted a formal waiver application, pursuant to policy for exemption of fines levied as per the provisions of SEBI SOP Circular (Criteria 3(a) - Impossibility of Compliance) before the respective Stock Exchange(s) requesting for exemption from the imposed fines.

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

For **SVD & Associates**

Company Secretaries

Sridhar Mudaliar

Partner

FCS No: 6156

C P No: 2664

Peer Review No: 6357/2025

UDIN: F006156G000265074

Place: Pune

Date: May 08, 2025

Note: We have relied on the documents and evidence provided through electronic mode, for the purpose of issuing this certificate.

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Listed Entity	L25209PN1961PLC012046
2.	Name of the Listed Entity	Bharat Forge Limited
3.	Year of Incorporation	1961
4.	Registered office address	Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.
5.	Corporate address	Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.
6.	E-mail	secretarial@bharatforge.com
7.	Telephone	+91-20-67042777
8.	Website	www.bharatforge.com
9.	Financial year for which reporting is being done	FY 2024-25
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE)/BSE Limited (BSE)
11.	Paid-up Capital	₹ 956.27 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Mr. Arularasu K, Vice President, Mobile: +91 7391901050/ Telephone: +91 020-67043173/ Email ID: Arularasu.K@kalyani.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on Standalone basis in conformance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are certain restatements in the comparative year to improve accuracy and clarity in the reporting of certain attributes in this report. The effects and reasons have been included under the respective Principles of this report. These restatements would enable consistency and comparability of information for the current year and the previous year.
14.	Name of assessment or assurance provider	KPMG Assurance and Consulting Services LLP
15.	Type of assessment or assurance obtained	Reasonable Assurance

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Manufacturing	• Metal & Metal Products	90.63%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
	Steel Forgings	25910	
	Finished Machined Crankshafts	3099	
	Front Axles assembly and components		
1.	Road Wheel	29301	90.63%
	Transmission Parts	3798	
	Seal Rings, Clamp, Hub	3548	
	Automotive Lightweight Component	29301	

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants [#]	Number of offices [*]	Total
National	5	8	13
International	0	0	0

[#] Operations carried out in Lonikand unit were carved out from Mundhwa unit and hence not reported separately.

^{*} Offices indicated above are shared workspaces for sales and marketing purposes with minimal headcount.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States & Union Territories)	24
International (No. of Countries)	32

b. What is the contribution of exports as a percentage of the total turnover of the entity?
53.56%

c. A brief on the types of customers

Bharat Forge manufactures an extensive array of critical and safety components for several sectors including Automobiles (across Commercial & Passenger Vehicles), Oil & Gas, Defence, Aerospace, Locomotives, Marine, Energy (across renewable and non-renewable sources), Construction, Mining and General Engineering. Bharat Forge continues to leverage its expertise built on 4 'M's (Metallurgy, Metal Forming, Manufacturing and Machining) and R&D capabilities, to provide agile and adaptive solutions to its customers. Our world-class products for the Automobile Sector making us one of the best automotive forging companies in India, the Company has transcontinental presence spread across India, Germany, Sweden, France and North America. Bharat Forge is also a leading supplier of various components for the aviation sector, making it a renowned name amongst aerospace forging companies in India and around the world.

IV. EMPLOYEES

20. Details as at the end of the Financial Year

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	2566	2504	97.58%	62	2.42%
2.	Other than Permanent (E)	382	330	86.39%	52	13.61%
3.	Total employees (D + E)	2948	2834	96.13%	114	3.87%
WORKERS						
1.	Permanent (F)	1406	1405	99.93%	1	0.07%
2.	Other than Permanent (G)	5139	5035	97.98%	104	2.02%
3.	Total Workers (F + G)	6545	6440	98.40%	105	1.60%

b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	11	2	18.18%
Key Management Personnel*	10	1	10.00%

* Note: Key Management Personnel includes Senior Management as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

22. Turnover rate for permanent employees and workers

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.96%	18.87%	9.17%	5.76%	20.93%	6.03%	10.37%	21.95%	10.56%
Permanent Workers	0.92%	0.0%	0.92%	1.19%	0.0%	1.19%	8.16%	0.0 %	8.16%

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

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

Please refer to Form AOC-1 annexed to the Financial Statements of the Annual Report for the above information.

The Company's subsidiaries, associates, and joint venture companies do not participate in its Business Responsibility initiatives.

VI. CSR DETAILS

24.

- i. Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes
- ii. Turnover: ₹ 88,437.30 million
- iii. Net worth: ₹ 109,642.69 million

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCE

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web link for grievance redressal policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes https://www.bharatforge.com/contact-us/contact	0	0	-	0	0	-
Investors (other than shareholders)	NA	NA	NA	-	NA	NA	-
Shareholders	Yes As per SEBI Listing Regulations.	25	0	All complaints resolved	8	0	All complaints resolved

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web link for grievance redressal policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Employees and workers	Yes http://bflapp.bharatforge.com/hronline/Pages/GrievancePolicy.aspx https://www.bharatforge.com/contact-us/contact#whistleblower	6	0	All complaints resolved	0	0	-
Customers	Yes https://www.bharatforge.com/contact-us/contact	59	6	Action taken against the pending complaints & they are under monitoring by the customer	66	0	All complaints resolved
Value Chain Partners	Yes https://www.bharatforge.com/contact-us/contact	0	0	-	0	0	-

Note: The customer complaints received are attributable to Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

26. Overview of the entity’s material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive/negative implications)
1	Organisation structure	Risk	The organisation structure not aligned with a rapid disruptive business environment and continuous innovation.	- The strategy team to define and track the roadmap for monitoring long-term business plan - Organisation structure to be aligned with changes in business requirements.	Business continuity gets impacted leading to financial loss
2	Innovation	Risk	- Changes in technology/ government policy may result in product obsolescence - Consequently, lower sales volumes and lower return on investments than expected.	- Increase in product offering and share of business - Diversification of product portfolio - Structured technology development projects.	Innovation in the industry may impact the business negatively if not considered immediately

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive/negative implications)
3	Sustained performance	Risk	Capital deployment into different businesses leading to a reduction in ROCE (Return on Capital Employed)	- Monitoring of capital allocation made in long-term business plans - Further investments based on technology, return prospects of a strategic nature and the commitment from stakeholders	Impacts the brand reputation in the industry thereby leading to financial loss
4	IT data centre & far sight disaster recovery (DR)	Risk	Present IT Systems data architecture may not be able to meet the information requirements of a dynamic organisation structure and rapidly changing business requirements.	- Harmonisation of master data and critical data points - Revamp the process of generating the financial performance data from the ERP System - Harmonise the IT systems across geographies.	Business continuity gets impacted leading to financial loss
5	Merger & Acquisitions	Risk	Challenge in achieving the desired synergies during mergers and acquisitions	- Assessment of vision/cultural alignment and identification of areas of synergy before acquisition - Development of plan for integration. - Review the transition/integration on a regular basis.	Business continuity gets impacted leading to financial loss
6	Growth & Expansion	Opportunity	Changes in the global political and economic environment including trade policies, economic sanctions may have an adverse impact on the Company.	- Evaluate opportunities to diversify operations across geographies/industries/sectors - Monitor the concentration risk across all parameters (geographies in which it operates, customer base, product base, suppliers)	Impacts the brand reputation in the industry thereby leading to financial loss
7	Human Capital	Risk	Unable to attract, develop and retain top talent and not able to plan succession.	- Organisation Structure is to be defined as per the business strategy. - Critical positions are identified and filled with internal candidates - Initiate Talent Management Programme to identify and develop “High Performance – High Potential” employees, thereby building Leadership Pipeline. - Identified leaders to undergo rigorous development programmes/assignments/job rotations	Consistent efforts would lead to a positive impact leading to improvement in quality and productivity and consequently, financial progress.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive/negative implications)
8	Customer Satisfaction	Opportunity	Intense competition in the market impacting the Company's market share and resulting in the reduction of sales volume	- Increased face time and interactions with customers to understand their needs, pain points, threats & modify our strategy accordingly. - Improve customer loyalty through faster response time to delivery - Long-term agreements with customers	Consistent efforts would lead to positive impact due to improvement in productivity, reduction in defects, etc
9	Data protection	Risk	Challenges in managing the risks from cybersecurity, data protection, confidentiality as well as disaster recovery whether from external threats or from internal - employees, subcontractors etc.	- Web Application Firewall (WAF)/SIEM - SOC mechanism, Data Leak Protection (DLP) mechanism to protect the data. - Restricted access to external devices. - Privileged access reviewed on a periodic basis. - Remote access through VPN needs multi-factor authentication (MFA) - Offensive Security practice with Breach and attack simulation started every quarter to protect from real-world attacks.	Impacts the brand reputation in the industry thereby leading to financial loss
10	Business Continuity	Risk	- Disruptions in the supply chain may adversely affect the Company's operations - Availability of raw materials and power - Impact of inflation and cost escalations of commodity and utility prices	- Procurement of critical raw material from reliable sources. - Pricing arrangements with the customer to address the cost increase in the raw materials on a regular basis. - Long-term contracts for logistics - Annual evaluation for critical vendors	Disruption to business operations leads to negative financial implications
11	Regulatory Compliance	Risk	Challenges in managing regulatory compliance in a global dynamic regulatory environment	- Deploy a compliance management system to track compliance on a real-time basis. - Implement a global compliance tool to monitor and report exceptions. - Quarterly compliance certificate from the Management of the respective Bharat Forge business unit and subsidiary companies - Training sessions on Legal compliance are organised for the process owners periodically	Impacts the brand reputation in the industry thereby leading to financial loss

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive/negative implications)
12	Climate Change	Opportunity	Reducing GHG emissions offers distinct operational and energy supply opportunities.	- ESG Committee at the Board level to oversee the implementation of climate change initiatives - ESG Framework with 7 objectives and 25 measures devised. Target timelines defined for these measures - Carbon Footprint Mapping and validation of emission reduction targets by institutions like SBTi - Deployment of Energy Management System for achieving energy efficiency and thereby reducing emissions - Utilisation of more green energy in the operations and supply chain	Initiatives taken around climate change have a positive implication towards business
13	Resource Efficiency	Opportunity	Optimal use of resources such as energy, water and raw materials supports sustainable business performance	- ESG Committee at the Board level to oversee the implementation of resource efficiency initiatives - ESG Framework with 7 objectives and 25 measures devised. Target timelines defined for these measures	Initiatives taken around resource efficiency have a positive implication towards business
14	Health, Safety & Environment	Risk	Failure to provide a safe working environment and Non-compliance with safety measures by employees and business partners will lead to liabilities, sub-optimal productivity, loss of business reputation and other costs.	- Sustenance of existing Occupational Health & Safety Management system - Safety observations reporting system, near-miss reporting process, safety committee meetings - Strict adherence to BBS (behaviour-based safety system) - Detailed SOP, employee training & adherence followed strictly. - Use of digital technology such as industry 4.0 and Artificial Intelligence	Incidents impact employee morale and business reputation leading to negative financial implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) ^	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	NA	Y	Y	Y	Y
c. Web link of the policies, if available	Policies on HR, ISO, CSR, Insider Trading, Related Party etc. are available on links such as: https://www.bharatforge.com/sustainability/governance/#top								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name the national and international codes/certifications/labels/standards	Y ^a	Y ^b	Y ^d	Y	Y	Y ^{c/e}	Y	Y	Y

The Company has obtained 26 certifications under national and international codes/certifications/labels/standards

- a. Quality systems -
- ISO 9001:2015 (QMS Certification for Non-Automotive Parts)
 - IATF 16949:2016 (QMS Certification for Automotive Parts)
 - AS 9100 Rev D (QMS Certification for Aviation Parts)
 - API-20B & API-Q1 (American Petroleum Institute certification for Petroleum products)
 - NABL:ISO/IEC 17025:2017 (National Accreditation Board for Testing and Calibration Laboratories)
 - Lloyd's Register (Approved for Closed Die C/S Forgings surface induction hardening of C/S)
 - Pressure Equipment Directive 2014 and Pressure Equipment Safety Regulation 2016 Certificate (Lloyd's Register EC Certificate for CDFD and HFD Parts)
 - Nadcap (Aerospace, Heat Treating, Measurement and Inspection, Metallic Materials Manufacturing, Non-Destructive Testing)

- b. ISO 27001:2013 (Data Security Management System)

c. ISO 14001:2015 (Environment Management System Certification)

d. ISO 45001:2018 (Safety Management System Certification)

e. ISO 50001: 2018 (Energy Management System Certification)

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

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

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

Bharat Forge Limited is committed to obtaining SA8000 (Social Accountability) Certification in the coming year.

6. Performance of the entity against specific commitments, goals and targets along with reasons, in case the same are not met.

Bharat Forge ESG Roadmap with specific commitments, goals and targets has been developed. This is being measured periodically & updates provided to the Board's ESG Committee at regular intervals. Some of the significant accomplishments are listed below:

	FY 2024	FY2025	Change (%)	
GHG Emission (Thousand tons CO2e) Scope 1 & 2	249	259	+4.0	↑
% Renewable Energy of Total Electricity Consumed	39.45%	37.16%	-2.29	↓
Recycled Water	33%	41%	+8	↑
Specific Water consumption (KL/MT Production)	4.15	3.81	-8.2	↓
Use of Secondary raw material	40	41	+1	↑
LTFIR (Lost Time Injury Frequency Rate)	0.92	0.44	-52	↓
% women in leadership	2.03%	2.51%	+0.48	↑

- SBTi (Science Based Targets Initiative) approval obtained for near-term emission reduction targets.
 - Climate Risk Assessment carried out for the organisation. Suggested mitigation measures are being analysed presently.
 - Water conservation efforts strengthened
 - Materiality Assessment (Double Materiality) completed and ESG Roadmap modified based on its outcome.
 - Supplier Sustainability Index (SSI) was deployed to evaluate the supplier sustainability performance and site assessments of Hazardous waste recyclers were carried out
 - Sustenance Audits completed for ISO 50001: 2018, ISO 14001:2015, ISO 45001: 2018 for all the sites.

GOVERNANCE, LEADERSHIP AND OVERSIGHT

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

The “ESG committee oversees the ESG/Sustainability initiatives of the Company. The roadmap with specific goals and targets is in place. Implementation of actions is monitored and updates are shared with all the stakeholders on a periodical basis.”

The roles & responsibilities of the committee include

- Guide the Board in developing and implementing the ESG Strategy, Initiatives and Policies for the Company.
- Review emerging risks and opportunities associated with ESG issues relative to the Company that have the potential to impact the reputation and business performance of the Company in consultation with the Risk Management Committee of the Board.
- Ensure that the Company is taking appropriate measures to implement actions to further its ESG Strategy. The Committee shall have access to any internal information necessary to fulfil its role in this regard.
- Review and oversee the development and implementation of targets, standards and metrics established by the Management to assess and track the Company's ESG performance.
- Review and reassess the adequacy of corporate governance structure and practices, including the Corporate Governance Guidelines, and recommend any proposed changes to the Board.
- Review any statutory requirements for Sustainability reporting including reporting under the Annual Report of the Company.
- Review and guide for providing any voluntary public disclosure on ESG matters including any material sustainability reports;
- Review the performance and results of key ESG investor surveys and global benchmarks.
- Obtain advice and assistance from internal or external experts, advisors.
- Form and delegate authority to subcommittees or any official, subject to the provisions of applicable laws, as may be deemed appropriate.
- Oversee the Company's engagement with stakeholders on ESG issues, including in response to any proposals or other concerns that have been submitted to the Company.
- Maintain written minutes and a record of actions taken by the Committee.
- Periodically report to the Board on ESG matters including the Company's ESG strategy, initiatives, policies, performance, public disclosures and engagement with stakeholders.
- Perform such other duties, tasks and responsibilities relevant to the purpose of the ESG Committee as may from time to time be requested by the Board of Directors.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

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

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

9. Does the entity have a specified Committee of the Board/Directors responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.

Yes. Bharat Forge has set up an ESG Committee at the board level. It is chaired by the Vice Chairman & Joint Managing Director with three Independent Directors as members. This committee continuously evaluates the Company's social, environmental, governance and economic obligations.

Further details regarding the ESG Committee are provided in the Corporate Governance section of the Annual Report.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director/Committee of the Board/Any other Committee									Frequency (Annually/Half Yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against the above policies and follow-up action	The ESG Committee Meetings held on May 7, 2024, and February 12, 2025, discussed issues relating to sustainability initiatives taken up in the organisation, ESG Ratings and recycled quantity. As suggested by the committee, the performance of the Company against these issues is to be assessed by the ESG team.									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all legal responsibilities that are relevant to the principles, and in case of any non-compliances, the ESG committee investigates and rectifies the issues.									Annually								

11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

Yes. The Policies on Quality, Safety, Health and Environment, Energy are subject to internal and external audits as part of the ISO Systems certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through the Internal Audit mechanism. DQS India (Deutsch Quality Systems Private Limited) is the agency that carries out these assessments.

12. If the answer to question (1) above is “No”, i.e., not all Principles are covered by a policy, the reasons to be stated:

Not applicable as all principles are covered by respective individual policies

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	Insider Trading awareness, ESG/sustainability, CBAM (Carbon Border Adjustment Mechanism) impacts, Recent Amendments to SEBI Regulations	100%
Key Managerial Personnel	10	IPR (Intellectual Property Rights)-Related Party Transactions, Digital Data Protection Laws, Recent Amendments to SEBI LODR, Insider trading, Ethics and Code of Conduct, Human Rights, POSH, Health & Safety, Environment, Energy & Emissions, Business Strategy etc.	100%
Employees other than the Board of Directors or KMPs	147	Business Ethics and Code of Conduct, Human Rights, POSH, Health & Safety, Environment, Energy & Emissions, Waste reduction, water saving, ESG, Stress Management, First Aid & CPR, Team Building, Communication Skills, Personal Effectiveness, Business Communication Skills etc.	100%
Workers	305	Business Ethics and Code of Conduct, Human Rights, POSH, Health & Safety, On-job trainings, Environment, Waste reduction, water saving, Energy & Emissions, Stress Management, First Aid & CPR, Team Building, Communication Skills, Personal Effectiveness, Business Communication Skills etc.	100%

Note: Key Managerial Personnel includes Senior Management as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	P1	National Stock Exchange & Bombay Stock Exchange	13,80,600/-	Alleged delay in compliance with Regulation 17(1) of the Listing Regulations pertaining to the requirement that half of the Board shall comprise Independent Directors.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non- Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Has an appeal been preferred? (Yes/No)		
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

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

Wherever it operates, the Company maintains the highest standards and does not tolerate bribery or corruption. The policy can be accessed at: https://www.bharatforge.com/assets/pdf/investor/download/Anti-Corruption_and_Bribery_Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

No disciplinary action was taken by any law enforcement agency against any of the Company's Directors, KMPs, employees, or workers for the charges of bribery or corruption.

6. Details of complaints with regard to conflict of interest:

No complaints with regard to conflict of interest were reported in the reporting period

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.
Not Applicable

8. Number of days of accounts payables (Accounts payable* 365)/Costs of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payable	74.43	72.89*

* The financial figures for the financial year ended March 31, 2024 have been restated to improve accuracy and clarity in reporting of the number of days of accounts payable, following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The number of days of accounts payable as disclosed in the BRSR for the year ended March 31, 2024 was 76.09.

9. Open-ness of Business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances and investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	2.75%	2.77%*
	b. Number of trading houses from where purchases are made	704	705*
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	32.36 %	27.58%*
Concentration of Sales	a. Sales to dealers/distributors as % total sales	NA- BHARAT FORGE products are sent to OEMs (Original Equipment Manufacturers) directly. We do not have dealers/ distributors as part of our supply chain.	
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top dealers/distributors as % of total sales to dealers/distributors		
Shares of RPTs in	a. Purchases (purchases with related parties/total purchases)	32.34%	34.71%*
	b. Sales (sales to related parties/total sales)	48.84%	47.36%
	a. Loans and advances (loans and advances given to related parties/total loans and advances)	76.20%	93.47%
	b. Investments (investments in related parties/total investments made)	75.21%	67.68%

* The financial figures for the financial year ended March 31, 2024 have been restated to improve accuracy and clarity in reporting of concentration of purchases with trading houses and related parties, following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The values as disclosed in the BRSR for the year ended March 31, 2024 were 1.15% for purchases from trading houses, 41.50 % for purchases from the top 10 trading houses, 37.53% for purchases from related parties and No. of trading houses from whom purchases were made 230.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total no of awareness programmes held	Topics/principles covered in training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	- Supplier Code of Conduct, - POSH (Prevention of Sexual Harassment) and Human Rights	77.35%

2. Does the entity have processes in place to avoid/manage conflicts of interest involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, Bharat Forge has processes in place to avoid/manage conflicts of interest involving members of the Board and it is as per the Terms of Appointment of Directors to the Board. The Company's Code of Conduct states that the Board members and Senior Management of the Company are needed to abstain from discussions, voting, or otherwise influencing a decision on any matter in which they have or may have a conflict of interest; restrict themselves from serving as a Director of any Company that is in direct competition with the Company or must take prior approval from the Company's Board of Directors before accepting such position.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
Capex	₹ 213.95 million 3.47% of total Capex	₹ 253.26 million 4.80% of total Capex	Investments made in systems such as heaters, cooling systems, compressors, motors, emission control systems etc. to improve the environmental and social impacts of products and processes are part of this reported CAPEX/R&D investments made by the entity.
R & D	₹ 16.66 million 2.86% of total R&D expenditure	₹ 11.42 million 1.98% of total R&D expenditure	

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

Yes. Sustainable procurement policy is in place for the organisation since October 2023. The Company being conscious of the role of sustainability in its business, screens all its suppliers based on social and environmental criteria, and all the Company's operations are reviewed on a regular basis to ensure that the sourced materials are handled responsibly.

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

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

As part of sustainable sourcing, we have ensured to source secondary raw material (recycled steel) to the extent of 41% out of the total raw material sourced in FY 2024-25. The Company has a conflict minerals policy to avoid the use of conflict minerals in the supply chain. The same has been ensured during the sourcing of material.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) Other waste.

Since the product is directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle. The Company, however, has systems in place to recycle plastics (including packaging), e-waste, and hazardous waste in a safe manner. For the disposal of such waste, the Company contracts with authorised recyclers and files returns with the appropriate statutory bodies.

Also, the Company has optimised its processes to the point where most of the waste produced is recycled and reused in its own operations. As a result, the amount of waste that leaves the Company for disposal is reduced.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to the Pollution Control Boards? If not, provide steps taken to address the same.

Yes, it is applicable for us under the importer category. Returns submitted to the Pollution Control Board as required by the Extended Producer Responsibility (EPR).

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format:

The Company has not conducted any life cycle assessment for the products to date. However, the Company is planning to carry out the LCA for products in the coming years.

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with the action taken to mitigate the same.

Not Applicable. We are in the process of carrying out the Life Cycle Assessment in the coming years.

3. Percentage of recycled or reused input material to total material (by value) used in production (for the manufacturing industry) or providing services (for the service industry).

Indicate input material	Recycled or reused input material to total material	
	FY 2024-25	FY 2023-24
Water	41%	33%
Raw material	41%	40%

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

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

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

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

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	2504	2504	100%	2504	100%	NA	NA	NA	NA	NA	NA
Female	62	62	100%	62	100%	62	100%	NA	NA	62	100%
Total	2566	2566	100%	2566	100%	62	100%	NA	NA	62	100%
OTHER THAN PERMANENT EMPLOYEES											
Male	330	330	100%	330	100%	NA	NA	NA	NA	NA	NA
Female	52	52	100%	52	100%	NA	NA	NA	NA	NA	NA
Total	382	382	100%	382	100%	NA	NA	NA	NA	NA	NA

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	1405	1405	100%	1405	100%	NA	NA	NA	NA	NA	NA
Female	1	1	100%	1	100%	1	100%	NA	NA	1	100%
Total	1406	1406	100%	1406	100%	1	100%	NA	NA	1	100%
OTHER THAN PERMANENT WORKERS											
Male	5035	5035	100%	5035	100%	NA	NA	NA	NA	NA	NA
Female	104	104	100%	104	100%	NA	NA	NA	NA	NA	NA
Total	5139	5139	100%	5139	100%	NA	NA	NA	NA	NA	NA

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

c. Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of the total revenue of the Company	0.17%	0.16%

Note: The contract workers are deployed through service providers and their wages, including well-being measures, are provided by the service providers.

2. Details of retirement benefits for the current and previous financial year

All benefits as per various employment legislations are given to employees

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Leave encashment	100%	100%	Y	100%	100%	Y

* The coverage percentage includes only those employees and workers to whom ESI is applicable

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company's facilities, including premises/offices have been equipped with ramps, lifts, and handrails for stairwells to facilitate the movement of differently abled individuals. Thus, the Company's premises have been made accessible.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Bharat Forge provides equal employment opportunities, without any discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex and sexual orientation. The Company strives to maintain a work environment that is free from any discrimination/harassment based on the above considerations. This Equal Opportunities Policy is subject to applicable regulations, qualifications, and the merit of the individual. The policy is available to the stakeholders on the Company's Website at the following link - https://www.bharatforge.com/assets/pdf/HR_Policies/BFL-22_Equal_Opportunity_for_Persons_with_Disabilities.pdf

5. Return to work and retention rates of permanent employees and workers who took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	*0	100%	-	-
Total	0	100%	-	-

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

* 3 female employees are on maternity leave in the reporting period and are due to return to work in the next financial year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Workers	Yes
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

The Company has a Grievance Policy to give its employees a way to voice their concerns arising from employment. The Policy ensures that such grievances are handled quickly, in a fair and impartial manner by a Grievance Committee and in compliance with the Organisation's other policies. This comprises employee concerns about a supervisor's, another employee's, or management's behaviour, inaction, or proposed action in relation to them.

According to the policy's grievance redressal system, the first step in resolving any problem is to communicate openly. An employee should seek an informal resolution of any concern with his or her immediate supervisor first. If such informal dialogue fails to resolve the issue, and the employee believes his or her complaint has progressed to the level of a grievance, the employee may file a formal grievance as stated in this policy to seek a fair resolution. The policy is available to the stakeholders on the Company's Website at the following link - <https://www.bharatforge.com/sustainability/social/#top>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees/workers in the respective category (A)	No of employees/workers in the respective category who are part of the association/union (B)	% B/A	Total employees/workers in the respective category (C)	No of employees/workers in the respective category who are part of the association/union (D)	% D/C
EMPLOYEES						
Total Permanent Employees	2566	0	0	2363	0	0
Male	2504	0	0	2319	0	0
Female	62	0	0	44	0	0

Category	FY 2024-25			FY 2023-24		
	Total employees/workers in the respective category (A)	No of employees/workers in the respective category who are part of the association/union (B)	% B/A	Total employees/workers in the respective category (C)	No of employees/workers in the respective category who are part of the association/union (D)	% D/C
WORKERS						
Total Permanent Workers	1406	1406	100%	1415	1415	100
Male	1405	1405	100%	1414	1414	100
Female	1	1	100%	1	1	100

8. Details of training given to employees & workers:

Bharat Forge provided training on health & safety, wellness measures, Environment-related, behavioural, on-job, soft skill training, data protection, policies, human rights, ESG (Environment, social and governance) etc. trainings to all employees including workers & contractors. A total of 21.92 hours of training per employee has been achieved in this fiscal year (FY 2024-25).

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety/Wellness measures		On skill upgradation (Behavioural Training/Soft Skills Training)		Total (D)	On health and safety/wellness measures		On skill upgradation (Behavioural Training/Soft Skills Training)	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	2834	2834	100%	2834	100%	2629	2629	100%	2629	100%
Female	114	114	100%	114	100%	70	70	100%	70	100%
Total	2948	2948	100%	2948	100%	2699	2699	100%	2699	100%
WORKERS										
Male	6440	6440	100%	6440	100%	1414	1414	100%	1414	100%
Female	105	105	100%	105	100%	1	1	100%	1	100%
Total	6545	6545	100%	6545	100%	1415	1415	100%	1415	100%

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

Workers- No of workers includes contract workers also.

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
PERMANENT EMPLOYEES						
Male	2504	2504	100	2319	2319	100
Female	62	62	100	44	44	100
Total	2566	2566	100	2363	2363	100

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
PERMANENT WORKERS						
Male	1405	1405	100	1414	1414	100
Female	1	1	100	1	1	100
Total	1406	1406	100	1415	1415	100

Note: The above-mentioned disclosure excludes numbers relating to those other than permanent workers. The performance and career development reviews for those other than permanent workers are managed by respective value chain partners.

10. Health and safety management system:

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

Yes. We have implemented the ISO 45001:2018 Occupational Health & Safety Management system in all our manufacturing sites and got it certified by M/s DQS. All the activities of the manufacturing operations are covered as part of this management system. Daily safety walks, regular safety trainings, periodical safety audits, implementation of permit to work (PTW) system, Energy isolation (LOTO), Safety committee meetings, Behaviour-based safety (BBS) and contractor safety management are the critical elements of this management system.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Hazard Identification and Risk Assessment (HIRA) process is adopted by us to identify the hazards and assess the risks for routine/non-routine activities. Trainings are conducted on the process of carrying out HIRA. In addition, safety walkthroughs/audits are being carried out regularly by plant leadership, line managers, supervisors, safety coordinators and safety officers. HIRA of all activities are reviewed periodically and updated, whenever changes are made in the system. Also, observations made during external audits by regulatory authorities, customers and other stakeholders are considered for HIRA review. Other hazard identification techniques such as Job Safety Analysis (JSA), Hazard and Operability Study (HAZOP) and Maximum Credible Loss Scenario (MCLS) are also used wherever applicable.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. We have defined a process to report the work-related hazards as part of ISO 45001:2018 Occupational Health & Safety Management System. In addition, employees are encouraged to utilise the existing safety observations reporting system, near miss reporting process, safety committee meetings, toolbox talks and safety suggestion scheme to report the hazards. Employees are trained/re-trained on hazard identification and reporting at periodic intervals. Also, in addition to the existing safety control systems, all the employees are provided with the appropriate personal protective equipment (PPE) to safeguard themselves from the hazards.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes. Bharat Forge believes in creating an environment for employees in which their financial needs are met beyond their salary. All the Company employees are offered a variety of health and wellness benefits, including medical insurance and accident insurance for the employee and his/her immediate family, which provides financial assistance in the event of an accident or serious illness. In addition, Bharat Forge offers coverage for dependent parents, periodic health checks, wellness programmes, as well as nutritious and subsidised food.

11. Details of safety-related incidents

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.45
	Workers	0.66	1.14
Total recordable work-related injuries	Employees	0	3
	Workers	10	17
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Contract workers (other than permanent workers) are included in the workers category.

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

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

We strongly believe in building and sustaining a safety-conscious organisation. To achieve this, we continuously strive to develop and deploy advanced safety systems at the workplace. In addition, systems such as safety committees, trainings, awareness promotions, rewards and recognitions have been deployed to ensure a safe and healthy workplace.

Safety interlocks and surveillance systems for high-risk operations, anti-collision/human presence detection systems in material handling equipment (Forklifts), auto dialer for fire protection systems, Energy isolation mechanism (LOTO) are some of the controls through technology that have been made available in the workplace.

Qualified safety officers are deployed as dedicated health and safety coordinators at the shop floor. They ensure the implementation of safe work practices at their respective shops. Regular safety walkthroughs are being taken up by these coordinators along with the central safety team. Cross-functional safety audits are carried out by the leadership team, to identify unsafe acts and conditions. Checklists and schedules are defined for these cross-functional audits.

The change management process is adopted strictly for any changes/new additions in the manufacturing systems. Hazard identification and risk assessment are done as part of change management to identify and address the hazards/risks.

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

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

No complaints were made by any employee or worker on the working conditions and/or health and safety practices of the Company.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & safety practices	Third-party Audit – 100%
Environmental Compliance	Third-party Audit – 100%
Working Conditions	Third-party Audit – 100%
Human Rights Due Diligence	Third-party Audit – 100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions.

Regular reviews were taken up to strengthen our existing safety practices. As an outcome of these reviews, a few areas were identified for deploying additional controls. Artificial intelligence (AI)-based systems such as proximity sensors and speed control devices were deployed in the material handling operations (forklifts used in the shop floor). Re-training and authorisation of the workforce were taken up for all high-risk operations. More focus was given on training the contractual workforce.

Additional surveillance systems were deployed on the shop floor to spot and rectify all kinds of unsafe acts/conditions. These surveillance systems were coupled with an algorithm to ensure the status of PPE adherence to identify the deviations, if any and take necessary actions. Machine guarding system was strengthened with some additional controls such as optical sensors and limit switches, wherever required. Reviewed and enhanced the design of safety tools used in the manufacturing operations. Visual representation improved in the operating procedures that are displayed on the shop floor.

As part of safety culture transformation, Behaviour-Based Safety (BBS) system has been deployed on the shop floor. Training is provided to BBS observers and their walkthrough details are reported through a digital platform. These details are being analysed for the deployment of further interventions.

With all these additional controls in place, we ensured the risks are maintained at the ALARP level (as low as reasonably practicable) and reaffirmed our commitment to providing a safe working environment to our employees.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) and (B) Workers (Y/N)?

Yes, Bharat Forge offers assistance in the event of a tragic occurrence, such as death, and has a Death Relief Policy in place for its employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company takes great care to ensure that the applicable statutory dues are deducted and deposited by the value chain partners. The details are outlined in the Bharat Forge Supplier Code of Conduct. All supply chain partners must adhere to it in every way in order to support business responsibility principles and ideals of transparency and accountability.

3. Provide the number of employees/workers having suffered a high-consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	2	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, Bharat Forge, as a desirable employer, provides future-oriented opportunities and the right environment for people to grow personally and contribute to the future. Employees who are terminated by the Company before their customary retirement date or who accept voluntary redundancy in exchange for these benefits are eligible for termination benefits. The benefits are offered through the VRS scheme and include monetary benefits too.

5. Details on the assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed	
Legal compliance	77.35 %
Business Ethics & Code of conduct	
Health & Safety Practices	
Working conditions	
Environment	
Energy & Emissions	
Human Rights	
Sourcing of raw materials	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners

In compliance with Bharat Forge's Supplier Code of Conduct, suppliers are assessed and monitored on the above-mentioned topics. All suppliers are mandated to accept the Supplier Code of Conduct at the time of vendor registration. Health and safety topics are given high priority in the operations. The Company recognises the significance of Business Ethics, Human Rights, Environment, Health and safety, Energy and Responsible sourcing of materials in every business. As a result, the Company has offered its assistance in developing such policies for suppliers who do not have them and guiding them in the implementation.

PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL THEIR STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Key Stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/Quarterly/Others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Conferences, workshops, Publications, newsletters & reports, online portals, employee surveys, Idea management, internal media - One-on-one interactions - Employee involvement in CSR activities,	Periodically Half Yearly Quarterly	Information about important updates regarding the Company. This helps the employees expand their knowledge in the industry. Getting employee feedback and resolving their issues.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly/Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	- Annual report, sustainability report, press releases - Investor presentations - Corporate website - Quarterly & Annual results - ESG calls	Annually Annually Periodically Quarterly Quarterly	Investors prefer to invest in organisations that are socially and environmentally responsible.
Customers	No	- Interviews, personal visits, publications, mass media & digital communications, plant visits, - Support programmes, social media, - Conferences and events	Weekly and Quarterly Annually Monthly	Customers prefer to connect with the organisation that is socially & environmentally responsible
Suppliers & Service providers	No	- Email Communication - Supplier & vendor meets - Policies - Official Communication letters - Supplier sustainability assessments	Periodically Periodically Periodically Annually	Supply Chain Management Practice
Business Partners	No	Dialogue with sales organisations and coordinating units of importers	Periodically	Provide service to present customers while increasing the potential for future growth.
Government and Regulatory Bodies	No	- Official communication channels, - Regulatory audits/ inspections - Environmental compliance	Monthly Annually Annually	Communications with government bodies enable the Company to understand the specific needs of a particular geographic location for increased effectiveness in operations
Communities	Need assessment, field visits and Focused group discussions were conducted at the community level based on which stakeholder groups and locations were identified for CSR intervention. Please refer to the following link for information about the Company's community work: https://www.bharatforge.com/sustainability/corporate-social-responsibility			

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.

Bharat Forge has established an ESG Committee at the Board level. The ESG committee is responsible for keeping the Board informed about various developments and seeking inputs from the Directors. Continuous stakeholder engagement, combined with an in-depth assessment by the ESG committee, aids the organisation in aligning its business with ESG, allowing it to better serve its stakeholders.

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

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Bharat Forge has always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to the current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and reissue policies as needed. For instance, inputs from customers are considered while implementing new environmental/social initiatives in the organisation.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/marginalised stakeholder groups.

Please refer to the following link for information about the Company's community work: <https://www.bharatforge.com/sustainability/corporate-social-responsibility>

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on Human Rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
EMPLOYEES						
Permanent Employees	2566	2026	78.95	2363	1908	80.74
Other than permanent	382	382	100	336	336	100
Total	2948	2408	81.68	2699	2244	83.14
WORKERS						
Permanent Workers	1406	417	29.65	1415	411	29
Other than permanent	5139	1155	22.47	4627	627	13.5
Total	6545	1572	24.02	6042	1038	17.18

2. Details of minimum wages paid to employees

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	2566	0	0	2566	100%	2363	0	0	2363	100
Male	2504	0	0	2504	100%	2319	0	0	2319	100
Female	62	0	0	62	100%	44	0	0	44	100
Other than permanent	382	0	0	382	100%	336	0	0	336	100
Male	330	0	0	330	100%	310	0	0	310	100
Female	52	0	0	52	100%	26	0	0	26	100
WORKERS										
Permanent	1406	0	0	1406	100%	1415	0	0	1415	100
Male	1405	0	0	1405	100%	1414	0	0	1414	100
Female	1	0	0	1	100%	1	0	0	1	100
Other than permanent	5139	0	0	5139	100%	4627	0	0	4627	100
Male	5035	0	0	5035	100%	4597	0	0	4597	100
Female	104	0	0	104	100%	30	0	0	30	100

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

	Male		Female	
	Number	Median Remuneration/salary/wages of respective category in ₹**	Number	Median Remuneration/salary/wages of respective category in ₹**
Board of Directors (BoD) (Whole-time directors)	4	698.18	-	-
Key Managerial Personnel (other than the BoD)*	9	139.89	1	51.00
Employees other than the BoD and KMP	2489	10.55	61	11.32
Workers	1405	9.72	1	9.12

* Key Management Personnel includes Senior Management as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

** Remuneration mentioned above is in lakhs per annum

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	2.03%	1.28%*

Note: The above does not include contract workers who are deployed through service providers and their wages including well-being measures are provided by the service providers.

* The financial figures for the financial year ended March 31, 2024 have been restated to improve accuracy and clarity in Gross wages paid to females as % of total wages, following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The values as disclosed in the BRSR for the year ended March 31, 2024 were 1.19%.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has formulated a Human Rights Policy which states that employees can address their complaints or grievances to the Human Resources department or to the Senior Management. There shall be no retaliation or reprisal taken against any employee or associate who raises concerns in accordance with the policy. A committee may be formed or delegated to investigate the reported issues. The Committee is responsible for evaluating the reported issues and ensuring that they are addressed and rectified. In collaboration with Senior Management, the Committee may also recommend a suitable resolution.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Bharat Forge recognises the important role that business can play in ensuring the long-term protection of human rights, and the Company is dedicated to upholding the human rights of its employees, communities, contractors, and suppliers in accordance with the International Bill of Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact.

The Company has formulated a Human Rights Policy which works in conjunction with the Grievance Policy to ensure that grievances are addressed promptly and effectively.

The mechanism works by following the instructions outlined below:

- The employees/affiliates address their complaints or grievances or report instances to the Human Resources department/Senior Management. No reprisal or retaliatory action is taken against any employee/affiliate for raising concerns under this policy.
- A committee is formed/designated to investigate the violations reported. The Committee evaluates the violations reported and ensures that the same is addressed and resolved. The Committee also, in consultation with the Senior Management, provides a suitable remedy.
- The Company periodically undertakes a human rights due diligence process for the Management and oversight/monitoring of the policy and identifies any shortcomings.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	NA	1	1	Closed in FY 2024-25
Discrimination at the workplace						
Child labour						
Forced/Involuntary labour		Nil			Nil	
Wages						
Other- human rights issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH))	0	1
Complaints on POSH as a % of female employees/workers	0 %	0.73%
Complaints on POSH upheld	NA	1 (Closed in FY 2024-25)

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

While dealing with the complaints as a part of the grievance redressal mechanism, every care is taken to conduct the enquiry in a peaceful manner to avoid any stressful conditions. The entire process is carried out in a highly confidential manner. The Company has a Grievance Policy which states that all members of the Grievance Committee and those entrusted with record keeping, as well as any staff member questioned about an issue, are bound by a duty of confidentiality at all times and must keep all paperwork and information exchanged in the process confidential. Harsh or insulting behaviour of anyone participating in or conducting grievance proceedings is not at all tolerated. Any such behaviour will be viewed as misconduct under the Organisation's disciplinary policies and strict actions will be taken against such unethical behaviour.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements form part of the Bharat Forge Supplier Code of Conduct. Suppliers are urged to respect internationally recognised human rights standards and to work towards them in all business activities within their own sphere of influence. Any forced or compulsory labour is prohibited. The following statements form part of Bharat Forge Supplier Code of Conduct.

The Company's Supplier Code of Conduct can be viewed on the following link: https://www.bharatforge.com/assets/pdf/investor/download/Supplier_Code_of_Conduct.pdf

To be a part of the Company's value chain, the supplier must meet the following human rights requirements:

- Child Labour:** Only workers who meet the minimum employment age requirement in the country where they are working, may be hired by a Supplier. The Suppliers must comply with all the applicable labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. The Suppliers are urged to formulate work-study programmes and government-sponsored educational programmes for the young working section of society.
- Wages, Benefits and Working Hours:** Working hours, wages, overtime pay and other elements of compensation must comply with all applicable laws. Workers must be paid at least the minimum legal wage or a wage that meets local industry standards and will provide all legally mandated benefits. Workers should be provided with annual leave and holidays as per the applicable laws.
- Work Environment and Equal Opportunities/Anti-Discrimination:** Suppliers are obliged to refrain from any discrimination and to ensure equal employment. Supplier shall not discriminate against employees, on the basis of nationality, colour, origin, ideology, religion, race, caste, creed, trade union or political activity, sexual orientation, age, sex, illness, disability, pregnancy or any medical condition. Supplier's employees should be treated with dignity and the work environment should be free of all types of harassment, whether physical, verbal or psychological.

10. Assessments for the year:

Bharat Forge has assessed 100% of its plants and offices by external auditors who have audited the statutory compliances in relation to the indicators mentioned below. The assessments are done on a quarterly basis.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	100%
Discrimination in the workplace	
Wages	
Other - Human Rights aspects	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

All the plants and offices of the Company were found to be complying with the human rights requirements and as a result, no corrective actions were required on the criteria stated above.

LEADERSHIP INDICATORS

- Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**
Nil
- Details of the scope and coverage of any human rights due diligence conducted.**
Human rights due diligence requirements have been incorporated in the checklists used by external auditors who conduct compliance audits at our facilities on a regular basis. Also, human rights aspects are included in the supplier sustainability assessments carried out to assess our value chain partners. Thus, with the human rights requirements being included in the checklists, the human rights due diligence is ensured in our facilities as well as in the facilities of our value chain partners.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
Yes
- Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	
Forced labour/Involuntary labour	
Sexual harassment	77.35%
Discrimination in the workplace	
Wages	
Other Human Rights aspects	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

No significant risks/concerns observed in the assessments to date. All suppliers are instructed to comply with the Bharat Forge's Supplier Code of Conduct at the time of Vendor Registration. All Critical Suppliers are assessed and monitored for compliance every year.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
From Renewable sources			
Total electricity consumption (A)	GJ	5,30,790	5,52,233
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	NA	0	0
Total energy consumption from renewable sources (A+B+C)	GJ	5,30,790	5,52,233
From Non-Renewable sources			
Total electricity consumption (D)	GJ	8,97,428	8,47,582
Total fuel consumption (E)	GJ	12,68,902	13,17,478
Energy consumption through other sources (F)	NA	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	21,66,330	21,65,060
Total energy consumed (A+B+C+D+E+F)	GJ	26,97,120	27,17,293
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	GJ/₹ millions	30.50	30.30
Energy intensity per rupee of turnover adjusted for Purchasing power parity (PPP)* (Total energy consumption/turnover in USD)	GJ/million USD	630.08	625.95
Energy intensity in terms of Physical output	GJ/MT	10.37	9.98

* The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from the IMF database. The restatement has led to a revision of the prior reported value of 693.21 for the year ended March 31, 2024

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.
Yes, as part of BRSR Core Reasonable Assurance by KPMG Assurance and Consulting Services LLP

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case the targets have not been achieved, provide the remedial action taken, if any.
No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Water Withdrawal by the Source (in kilolitres)			
(i)Surface Water	kilolitres	5,04,628	6,39,830
(ii)Ground Water	kilolitres	2,00,368	1,95,098
(iii)Third Party Water	kilolitres	2,87,257	2,93,751
(iv) Sea Water/Desalinated Water	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv)	kilolitres	9,92,253	11,28,679

Parameter	Unit	FY 2024-25	FY 2023-24
Total volume of water consumption (in kilolitres)	kilolitres	9,92,253	11,28,679
Recycled Water (ETP+ STP)	kilolitres	4,05,239	3,74,332
Water intensity per rupee of turnover (Total Water consumption/Revenue from operations)	(KL/₹ millions)	11.22	12.58
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) * (Total Water consumption/ Revenue from operations adjusted for PPP)	(KL/million USD)	231.80	260.00
Water intensity in terms of physical output	(KL/MT)	3.81	4.15

* The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from the IMF database. The restatement has led to a revision of the prior reported value of 287.94 for the year ended March 31, 2024

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.
Yes, as part of BRSR Core Reasonable Assurance by KPMG Assurance and Consulting Services LLP.

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

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.
Yes, as part of BRSR Core Reasonable Assurance by KPMG Assurance and Consulting Services LLP.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
Bharat Forge has effectively controlled the industrial wastewater generated by its activities, products, and services, and formulated waste management systems for handling wastewater properly. The Company makes the best utilisation of the wastewater treatment system and as a Zero Liquid Discharge (ZLD) plant, the Company is not discharging wastewater as well as treated water. ZLD is an approach to water treatment where all water is recovered, and contaminants are reduced to solid waste. While many water treatment processes attempt to maximise the recovery of freshwater and maximise waste, ZLD is the most demanding target since the cost and challenges of recovery increase as the wastewater gets more concentrated. Salinity, scaling compounds, and organics all increase in concentration, which adds costs associated with managing these increases. ZLD is achieved by stringing together water treatment technology that can treat wastewater as the contaminants are concentrated. Since Bharat Forge has installed an Effluent Treatment Plant (ETP) & Sewage Treatment Plant (STP) to treat its generated wastewater, the treated wastewater is reused to reduce the consumption of freshwater.

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

Parameter	Unit	FY 2024-25	FY 2023-24
NOx	µg/Nm3	15.66	16.35
SOx	µg/Nm3	10.99	11.48
Particulate matter (PM) (Less than 2.5 microns)	µg/Nm3	23.25	22.08
Persistent organic pollutants (POPs)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.
Yes, Mahabal Enviro Engineers Pvt Ltd has done the evaluation on the data reported under this indicator.

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	78,486	82,745
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,81,232	1,67,163
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO2 equivalent	2,59,718	2,49,908
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total scope 1 and scope 2 GHG emissions/ revenue from operations)	tCO2e/₹ millions	2.94	2.79
For Purchasing Power Parity (PPP) * (Total scope 1 and scope 2 GHG emissions/revenue from operations adjusted for PPP)	tCO2e/million USD	60.67	57.57
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	tCO2e/MT	1.00	0.92

Note: Scope 1 emissions have been calculated using the emission factor published by the DEFRA GHG conversion factors 2024 and World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards. For Scope 2 emissions – for India, the source of the emission factor is the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 20.0, December 2024, published by the Central Electricity Authority of India. As BFL procures electricity from the Indian grid, (which is a mix of conventional and renewable energy), the emission factor which has been considered is 0.727 tCO2/MWh, as per CEA.

* The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from the IMF database. The restatement has led to a revision of the prior reported value of 63.75 for the year ended March 31, 2024

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

Yes, as part of BRSR Core Reasonable Assurance by KPMG Assurance and Consulting Services LLP

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.

Bharat Forge is constantly improving and innovating ways to reduce consumption and the resulting emissions in the Company's manufacturing processes. The Company has taken the following projects in an effort to reduce greenhouse gas emissions in FY 2024-25:

I. Steps taken for utilising alternative source of energy:

- a. To reduce GHG emissions, the Company has utilised 1,16,055 MWh of solar electricity and 31,388 MWh of electricity from wind-based turbines. It is part of the decarbonisation plan, which includes the improvement of the energy mix towards the adoption of renewable energy and the replacement of fossil-dense fuels with those having comparatively lesser emissions.
- b. Replacement of Oils (Furnace oil, & SKO) with cleaner fuels (PNG & LPG) in furnace operations.

Initiatives mentioned in points a and b contributed to a reduction in oil consumption by 854 KL, & emissions by 1,07,191 tCO2e.

II. Steps taken for conservation of energy:

Process Equipment

- a. Installation of energy-efficient induction billet heater
- b. Installation of high-velocity burners in furnace operations
- c. Replacement of inefficient motors

Compressor

- d. Replacement of inefficient compressors
- e. Modification in nozzle design to reduce air pressure requirement
- f. Set the optimum pressure to reduce high-pressure air wastage
- g. Air leakage fixation

Cooling Tower and Chiller

- h. Replacement of open-loop cooling towers with closed-loop cooling towers
- i. Idle time reduction in cooling tower operations
- j. Highly efficient pump for coolant circulation in cooling tower operation
- k. Highly efficient pump for coolant circulation in chiller operation

Lighting and Automatic Power Factor Correction Panel

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

Energy saving projects mentioned in points a to m contributed to a reduction in electricity consumption by 3,343 MWh/Annum & emissions by 2,430 tCO2e.

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

Parameter	FY 2024-25	FY 2023-24
Total Waste Generated in Metric Tonnes		
Plastic waste (A)	177.84	191.43
E-waste (B)	5.54	1.74
Bio-medical waste (C)	0.0056	0.0085
Construction and demolition waste (D)	0	0
Battery waste (E)	4.91	0.23
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)		
G1. (Cotton Waste (Qty.) kg Chemical Sludge from ETP, Paint Sludge/ Residues, Spent Bath Sludge)	383.78	253.78
G2. Used/Spent Oil (Liquid)-HW	370.97	282.78
G3. Discarded Containers/Barrels (Solid)-HW	183.90	185.43
G4. Waste & Residues Containing Oil (Liquid)-HW	422.90	454.04
G5. Asbestos Sheet	74.09	1.93

Parameter	FY 2024-25	FY 2023-24
Other Non-hazardous waste generated (H)		
H1.MS Scrap/Scale/Bur/Flash (Solid)	1,03,099.41	1,04,185.81
H2. Aluminium Scrap	638.95	491.61
H3. Titanium Scrap	36.37	6.03
H4. Paper & Corrugated boxes	241.18	256.60
H5. Rubber	54.29	53.06
H6. Wood	1,123.50	892.30
Food Waste Generated (I)	232.16	221.735
Total (A+B + C + D + E + F + G + H+ I)	1,07,049.80	1,07,478.505
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (MT/₹ millions)	1.21	1.20
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) (MT/ million USD)*	25.01	24.76
Waste intensity in terms of physical output (MT/MT)	0.41	0.39

For each category of waste generated, the total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)

Category of Waste		
(i) Recycled	106169.02	107222.79
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	106169.02	107222.79

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	806.68	253.788
(ii) Landfilling **	74.09	1.93
(iii) Other disposal operations	-	-
Total	880.770	255.718

* The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from the IMF database. The restatement has led to a revision of the prior reported value of 27.42 for the year ended March 31, 2024

** There is landfill waste due to the replacement of the old asbestos roof on the shop floor.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

Yes, as part of BRSR Core Reasonable Assurance by KPMG Assurance and Consulting Services LLP

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Bharat Forge has made waste management a priority by incorporating the 3R waste management principles into the Company decision-making. Using the principles of the solid waste management hierarchy, the Company encourages its teams to innovate and divert waste. The Company is constantly working to reduce hazardous and non-hazardous waste in its manufacturing sites. Throughout the year, the Company has implemented measures such as recycling waste oil via a change in disposal pathway, which reduces hazardous waste load and recycling ETP sludge, which reduces disposal to landfills.

In order to better understand the Company's waste profile, sites are mapped for the waste generation and disposal methods. In addition, the Company improved its data collection systems and incorporated waste volumes into its monthly environmental dashboard. These activities enabled the Company to identify the three primary barriers preventing its facilities from diverting waste from landfills: cost, regulatory challenges, and lack of resources.

Managing Hazardous Waste

Hazardous wastes are handled as per the requirements and a waste registry is maintained. They are transported to the relevant authorised agencies for proper handling. Bharat Forge complies with all MPCB rules and regulations on how these products must be properly stored, labelled, handled, shipped, or recycled to limit exposure potential as well as all international standards that apply to the Company in the locations where it operates.

Managing Non-Hazardous Waste

For non-hazardous waste, Bharat Forge's priority is to reduce waste at the source by purchasing and bringing into its facilities only what is needed. The Company has found solutions requiring little, if any, investment, ensuring that its progress makes business as well as environmental sense. Some of the shared successes include the use of recycled cardboard boxes as fillers for packing materials, biodegradable plastics for packaging, creating re-usable pallets for parts delivery from vendors, as well as product delivery to customers to eliminate the use of wood pallets, and recycling initiatives for paper and plastic from offices and break rooms.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Bharat Forge does not operate in/around ecologically sensitive areas. Since the Company operates in industrial areas/ estates, its influence on biodiversity is very modest. In all the areas of its activities, the Company is dedicated to regulatory environmental compliance and ethical conduct.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

13. Is the entity compliant with the applicable environmental laws/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is in compliance with all the applicable environmental laws.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

As indicated in the water risk assessment, the Company operates in a region with moderate water stress and faces potential risks associated with water quality and regulatory compliance. We have taken necessary mitigation measures to address the identified risk. However, the identified risk is not related to the availability.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5,17,997	5,64,161
Total Scope 3 emissions per rupee of turnover	Tonnes of CO2e per rupee of turnover	5.86	6.29
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Tonnes of CO2e per Ton of Production	1.99	2.07

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

In all areas of its activities, Bharat Forge is dedicated to regulatory Environmental compliance and ethical conduct. Since the Company operates in industrial areas/estates, its influence on biodiversity is very modest.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1.	Use of Industry 4.0	Water meters connected to the Water Consumption Monitoring System	The system supports monitoring the daily water consumption pattern and helps in taking necessary action in case of excess water consumption
2.	Health & Safety - BBS Reporting	An in-house digital tool to report the details of the BBS walkthrough taken up by the BBS observers	Helps in reporting and analysing the Behaviour-Based Safety implementation status as part of Health & Safety practices

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Yes, the Company recognises the importance of business continuity in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption.

The policies are available in - <https://www.bharatforge.com/assets/pdf/investor/download/risk-management-policy>

6. Disclose any significant adverse impact on the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Supplier is expected to implement its binding Supplier code of conduct and make reasonable efforts to promote the Supplier Code's principles in its supply chain. During the fiscal year 2024-25, the Company screened all of its critical suppliers (35 in total) using social and environmental criteria and found no negative social or environmental impacts on its value chain.

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

Bharat Forge has assessed 77.35 % of its value chain partners for environmental impacts and found no negative social or environmental impacts on its value chain.

8. How many Green Credits have been generated or procured

- By the listed entity - Not applicable

- By the top ten (in terms of value of purchases and sales, respectively) value chain partners - Not applicable

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1.

a.

Number of affiliations with trade and industry chambers/associations.
Bharat Forge is affiliated with 15 trade and industry chambers/associations.
- b.

List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) that the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industries [CII]	National
2.	Society of Indian Defence Manufacturers	National
3.	Indo German Chamber of Commerce [IGCC]	National
4.	Swedish Chamber of Commerce in India [SCCI]	National
5.	Indo American Chamber of Commerce [IACC]	National
6.	Indo French Chamber of Commerce in India [IFCCI]	National
7.	Federation of Indian Chambers of Commerce & Industry [FICCI]	National
8.	Mahratta Chamber of Commerce Industry & Agriculture [MCCIA]	State
9.	Bombay Chamber of Commerce & Industry	State
10.	CII-FBN India Chapter Membership	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There were no incidents of anti-competitive behaviour involving the Company during the reporting period (2024-25)

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

The Company directly or through trade bodies and other associations puts forth a number of suggestions with respect to the industry in general and its activities in particular.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief details of the Project	SIA Notification No.	Date of Notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:
NIL

3. Describe the mechanisms to receive and redress grievances of the community.
Bharat Forge has a CSR Team to monitor the CSR Projects regularly which continuously interacts with the concerned communities in the areas of operation. The grievances as and when they arise are addressed on a timely basis & resolved by the CSR Team

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

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	5.82%	2.86%
Directly from within India	86.40%	91.73%

5. Job Creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24*
Rural	2.88%	2.47%
Semi-urban	1.29%	1.40%
Urban	20.03%	19.44%
Metropolitan	75.81%	76.69%

Note: As per RBI Classification, Mundhwa and Keshavnagar are classified as Semi-Urban but for the purpose of disclosure, have been classified as Metropolitan as part of Pune District. Similarly, Tandulwadi has been classified as Rural but has been considered as Urban at the Sub-district level.

* The financial figures for the financial year ended March 31, 2024 have been restated to improve accuracy and clarity in reporting of job creation in smaller towns, following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The values as disclosed in the BRSR for the year ended March 31, 2024 were Rural 2.56%, Semi-Urban 1.52%, Urban 20.35% and Metropolitan 75.57%.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)
Yes

(b) From which marginalised/vulnerable groups do you procure? -
The required aprons and boiler suits (uniform) by Bharat Forge are procured from Self Help Groups of women from community centres.

(c) What percentage of total procurement (by value) does it constitute?
The boiler suits and aprons required (uniform) by Bharat Forge are provided by Self Help Groups from community centres having an approximate value of ₹ 20,00,000.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.
Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein the usage of traditional knowledge is involved.
Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Village Development Project in more than 100 villages in Maharashtra State.	3,03,739 people from more than 120 villages	>90
2.	Education Project in collaboration with Pratham Pune Education Foundation	7,000+ children from 8 divisions of Pune	100
3.	Education Project in collaboration with Jnana Prabodhini	400+ children from 5 different communities	100
4	Education Project in collaboration with Vidyarthi Sahayak Samiti	65 Girl students pursuing engineering or diploma	100
5	Women Empowerment - Community Centres, vocational training and income generation activities	900 women from all community centres located at Hadapsar, Wadgaon Sheri & Keshavnagar	>75
6	Skilling through CoE (Centre of Excellence) at Vidya Pratishthan, Baramati	184 students pursuing Engineering	>75
7	Skill Development Project - Working with (ITIs)	1,429 Students pursuing diploma	>75
8	Waste management	1,680 families from the Hadapsar area	>75

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
Customer response and customer satisfaction are one of the most critical aspects of business for Bharat Forge. The Company engages with its customers through various platforms to understand their expectations. The Company obtains customer feedback directly or by referring to the customer portal on a monthly basis and compiles the "Voice of Customer Report" to identify the areas of concern reported. Accordingly, corrective measures are planned and implemented. Customer satisfaction trends are compiled, monitored and reviewed by the top Management at defined intervals to get the directives for improvement.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about - Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/or safe disposal:
Products sold by BHARAT FORGE are completely recyclable as they are metal components. However, estimation of environmental and social parameters relevant to the product as a percentage of the total turnover is not being estimated.

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

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	NA	NA	-	NA	NA	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

No such instances were reported in the reporting period FY 2024-25.

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

Yes, Bharat Forge follows the ISO 27001:2013 framework and is certified for IT services, design and the defence department. The details are provided in the Company's Privacy policy which is available at <https://www.bharatforge.com/privacy-policy/>

An Information Security Policy has been implemented which provides support, management direction and documents how Information Security is managed throughout Bharat Forge; it outlines the appropriate measures through which the Company will facilitate the secure and reliable flow of information, both within the Company and externally.

The policy sets out the principles and an overarching framework for Information Security. It also details the supporting policies and guidelines, which will address the aspects of security. The approach being adopted is based upon the International Standard ISO/IEC 27001: 2013 -The Code of Practice for Information Security Management. Bharat Forge's IT and Engineering division is certified for ISO 27001 since 2006. Recently, the Defence division has been added to this certification scope.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; recurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

NA

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches- NIL

b. Percentage of data breaches involving personally identifiable information of customers- NA

c. Impact, if any, of the data breaches- NA

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Bharat Forge's website has information about all the products it offers. The link for the Company website is <https://www.bharatforge.com/>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Since the products of the Company are directly supplied to the OEMs who assemble and send the end product to the general customer, Bharat Forge has limited scope for informing and educating the end user about the safe and responsible usage of its products.

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

Since the products of the Company are directly supplied to the OEMs who assemble and send the end product to the general customer, Bharat Forge has limited scope for informing the end user about the risk of disruption/discontinuation of its essential service.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. Since the Company's products are OEM-specific and as per OEM requirements, the Company displays product requirements on the packaging itself. This is consistent with applicable laws. Typical information displayed on product includes details of manufacturer, heat code, process no., dispatch no., part no. etc.

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

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

INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT

To the Board of Directors of Bharat Forge Limited

Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) Core Format

Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) Core Format¹ (called 'Identified Sustainability Information' (ISI) of Bharat Forge Limited (the 'Company') for the period from 1 April 2024 to 31 March 2025. The ISI is included in the Business Responsibility and Sustainability Reporting of the Company for the period from 1 April 2024 to 31 March 2025.

Opinion

We have performed a reasonable assurance engagement on whether the Company's sustainability disclosures in the BRSR Core Format (refer to Annexure 1) for the period from 1 April 2024 to 31 March 2025 have been prepared in accordance with the reporting criteria (refer table below).

Identified Sustainability Information (ISI) subject to assurance	Period subject to assurance	Reporting criteria
BRSR Core attributes (refer Annexure 1)	From 1 April 2024 to 31 March 2025	- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) - Guidance notes for BRSR format issued by SEBI - World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards)

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

In our opinion, the Company's BRSR Core attributes for the period 1 April 2024 to 31 March 2025, are prepared, in all material respects, in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) and basis of preparation set out in Question 13 of the BRSR.

Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

KPMG Assurance and Consulting Services LLP ("the firm") applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Company's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the BRSR Core reasonable assurance report thereon). The Company's Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance on the BRSR Core Attributes does not cover the other information and we are not expressing any form of assurance conclusion thereon.

In connection with our assurance on the BRSR Core attributes, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the BRSR Core, or our knowledge obtained in the assurance, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance and describe actions applicable under the applicable laws and regulations.

Intended use or purpose

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

Our opinion is not modified in respect of this matter.

Management's responsibilities for the identified Sustainability Information (ISI)

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

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

Those charged with governance are responsible for overseeing the reporting process for the Company's ISI.

Inherent limitations

The preparation of the company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

¹ Notified by SEBI vide circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance on the sustainability disclosures in the BRSR Core are free from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria in line with the section above.
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained, and
- Reporting our reasonable assurance opinion to the Board of Directors of the Company.

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

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information covered by reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the ISI covered by reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information covered by reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

In carrying out our engagement, we:

- assessed the suitability of the criteria used by the Company in preparing the reasonable assurance ISI;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the ISI covered by reasonable assurance and the reasonableness of estimates made by the Company; and
- evaluated the overall presentation of the information covered by reasonable assurance.

Exclusions

Our assurance scope excludes the following and therefore we will not express an opinion on the same:

- Any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project, and accordingly we will express no opinion thereon. We will also not be required to verify any of the judgements and commercial risks associated with the project, nor comment upon the possibility of the financial projections being achieved.
- The Company’s statements that describe the strategy, progress on goals (other than those listed under the scope of assurance), expression of opinion, claims, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.
- Operations of the Company other than those mentioned in the “Scope of Assurance”.
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.

Data and information outside the defined reporting period i.e., from 1 April 2024 to 31 March 2025.

For **KPMG Assurance and Consulting Services LLP**

Ravi Kant Thakur
Partner

Date: June 19, 2024
Place: Gurugram

ANNEXURE - I

BRSR CORE ATTRIBUTES-REASONABLE ASSURANCE FOR FY 2024-2025

Principle	Attribute/Area	Parameter/Metric
Principle 1 - E8	Fairness in Engaging with Customers and Suppliers	Number of days of accounts payable
Principle 1 - E9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties
Principle 3 - E1 c	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers
Principle 3 - E11		Details of safety related incidents (LTIFR, Recordable Injuries, Fatalities, High Consequence Injuries)
Principle 5 - E3 b	Enabling Gender Diversity in Business	Gross wages paid to females as % of total wages paid by the entity
Principle 5 - E7		Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Principle 6 - E1	Energy Footprint	Total energy consumption
		Energy intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
Principle 6 - E3	Water Footprint	Provide details of water withdrawal by source
		Total water consumption
		Water consumption intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
Principle 6 - E4	Water Footprint	Water Discharge by destination and levels of Treatment
Principle 6 - E7	GHG Footprint	Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)
		Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)
		GHG Emission Intensity (Scope 1+2) (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
Principle 6 - E9	Embracing circularity - waste details	Provide details related to waste generated by category of waste
		Waste intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations
		For each category of waste generated, total waste disposed by nature of disposal method
Principle 8 - E4	Enabling Inclusive Development	Percentage of input material (inputs to total inputs by value) sourced from suppliers (MSMEs/small suppliers and directly within India)
Principle 8 - E5		Wages paid to persons employed in smaller towns as % of total wage cost
Principle 9 - E7	Fairness in Engaging with Customers and Suppliers	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events

Independent Auditor’s Report

To the Members of Bharat Forge Limited
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Bharat Forge Limited (the “Company”) which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor’s Report (Contd.)

Revenue from Sale of Goods
See Note 2.2(e) and Note 24 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company’s revenue is derived primarily from sale of goods. The Company manufactures specialized forged, machined and defence related products as per specifications provided by its customers. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Company and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the Company's accounting policies for revenue recognition by comparing with applicable accounting standards. • We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue. • On a sample basis, we tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred. • We have received and inspected the confirmations for revenue recognized during the period from key related parties. Additionally, we reviewed the Company's arm's length assessment and engaged our internal specialist to validate the analysis. • We tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred. • We scrutinized journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items.

Independent Auditor’s Report (Contd.)

Assessment of impairment of investments in subsidiaries, associates and joint ventures
See Note 2.2 (r) and Note 06 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has significant investments in subsidiaries, associates and joint ventures as at 31 March 2025.	In view of the significance of the matter we applied the following audit procedures in this area, to obtain sufficient and appropriate audit evidence:
The Company periodically assesses if there are any impairment indicators for recognising impairment loss in respect of these investments.	We obtained an understanding of the Company's process for assessing the indicators of impairment of investments, and for the estimation of the recoverable value, wherever necessary.
The estimation of the recoverable amount of each investment is based on complex assumptions. Considering that significant judgment is required and the underlying complexity of the assumptions used, this is considered as a key audit matter.	- We evaluated the design, implementation and operating effectiveness of key internal controls over impairment assessment of investments in subsidiaries, associates and joint ventures. - We assessed the models used by the Company to estimate the recoverable value of relevant investments, and consistency with the applicable Ind AS. - We evaluated the appropriateness of key inputs and assumptions used in the cash flow projections/comparable companies or transactions including discount rates, expected growth rates, terminal growth rates, margins and applicable multiples. - We involved specialists to assist us in evaluating the impairment models, assumptions and estimates. - We performed sensitivity analysis of key assumptions to ascertain the extent of change in those assumptions that could change the outcome of the impairment assessments.

Independent Auditor’s Report (Contd.)

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

Independent Auditor’s Report (Contd.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor’s Report (Contd.)

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors between 1 April 2025 and 30 April 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- B. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 19(a) to the standalone financial statements.
 - c. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company, except for delay in depositing Rs.0.13 million for more than 12 years which is unpaid as at 31 March 2025.
 - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

Independent Auditor’s Report (Contd.)

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 17 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which include test checks, the Company, has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except for the instances reported below:

- i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.
- ii. The feature of recording audit trail (edit log) facility was not enabled for certain tables at the application layer of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
- iii. The payroll accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.

Further, for the periods where audit trail facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the company as per the statutory requirements for records retention.

C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For BSR & Co. LLPChartered AccountantsFirm’s Registration No.: 101248W/W-100022

Place: PuneDate: 08 May 2025

Shiraz VastaniPartnerMembership No.: 103334ICAI UDIN: 25103334BMOVUQ9809

Independent Auditor’s Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
FLAT- G/8 SAI NAGARI SOC K.NAGAR	₹ 0.31 million	Shri. Anajwala Khozema F & Smt. Anajwala Amina	No	1 April 1987	Not in dispute. Index II awaited by the Company.

Title deeds for two immovable properties amounting to gross block of Rs. 0.28 million is not available and hence we are unable to comment on the same.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

Independent Auditor’s Report (Contd.)

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee to any other entity as below:

In ₹ Million				
Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries*	10,787.58	-	1,124.84	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	115.12	-
Balance outstanding as at balance sheet date				
Subsidiaries*	11,642.38	-	306.64	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	95.77	-

*As per the Companies Act, 2013

**The outstanding loan amount secured by existing guarantees is Rs. 6,838.40 million.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the cases mentioned below.

The loans of Rs. 192.59 million to BF Elbit Advanced Systems Private Limited is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The interest thereon amounting to Rs. 18.42 Million has been converted to loan as on 31 March 2025, net of withholding taxes.

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

Independent Auditor’s Report (Contd.)

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans/advance in the nature of loan falling due during the year were renewed or extended or settled by fresh loans:

In ₹ Million			
Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Bharat Forge America, Inc. USA	1,102.34	1,102.34	98.00%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 (“the Act”).

In ₹ Million			
	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	192.59	-	192.59
- Agreement does not specify any terms or period of Repayment (B)	-	-	-
Total (A+B)	192.59	-	192.59
Percentage of loans/advances in nature of loan to the total loans	62.81%	-	62.81%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable. However, according to the information and explanations given to us, in respect of deposits accepted earlier under relevant provisions of the erstwhile Companies Act, 1956, and the rules framed thereunder, there are certain unclaimed deposits amounting to Rs. 0.04 million including interest thereon which are subject to litigation.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by it, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State

Independent Auditor’s Report (Contd.)

Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable, except as mentioned below:

Delay in depositing due of Rs. 0.13 million in the Investor Education and Protection Fund ('IEPF').

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

In ₹ Million

Name of the statute	Nature of the dues	Amount	Paid Under Protest	Period to which the amount relates	Forum where dispute is pending
Property Tax	Demand received for differential Property Tax	40.48	40.48	FY 2004-05 to 2010-11	High Court, Mumbai
Property Tax	Demand received for differential Property Tax	440.66	440.66	FY 2011-12 to 2024-25	Disctrict Court, Pune
Customs Act, 1962	Demand received for wrong availment of duty drawback	198.80	157.41	FY 2011-12, FY 2012-13 and FY 2013-14	Principal Commissioner (RA) and Ex-Officio Additional Secretary to the Government of India
Customs Act, 1962	Test of 'unjust enrichment' as the entries w.r.t. duty payment were not reflecting under the head 'Receivables' in the Balance Sheet of the Company for the FY	26.68	26.68	FY 2013-14	CESTAT, Mumbai
Customs Act, 1962	Demand received short payment of duty u/s 28(A) of Customs Act, 1962.	1.90	-	FY 2019-20, 2020-21 and 2021-22	Commissioner of Customs, Appeals, Mumbai
Central Excise Act, 1944	Duty demand on subsidy amount received under PSI (Package Scheme of Incentives) scheme.	272.76	-	FY 2004-05, 2005-06, 2006-07, 2009-10, 2010-11, 2011-12, and 2012-13	Commissioner of Central Excise, Pune III Commissionerate
Central Excise Act, 1944	Short reversal of CENVAT credit taken on the Inputs written off	9.34	4.67	FY 2009-10, 2010-11, 2011-12 and 2012-13	CESTAT, Mumbai
Central Excise Act, 1944	Availment of Ineligible Input Tax credit	2.79	2.79	FY 2004-05, 2005-06 and 2006-07	Additional Director DGCEI Zonal Unit Mumbai

Independent Auditor’s Report (Contd.)

In ₹ Million

Name of the statute	Nature of the dues	Amount	Paid Under Protest	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Removal of excisable goods manufactured in the factory by way of writing off in the books of accounts without payment of duty	10.89	-	FY 2004-05 & 2005-06	Additional Commissioner of Central Excise Pune III, Commissionerate
Central Excise Act, 1944	Non payment of service tax under reverse charge mechanism on Ocean Freight services availed	2.10	-	FY 2016-17 and 2017-18	Assistant Commissioner Circle-V,C GST Audit-II Commissionerate
Income Tax Act, 1961	Income tax payable in regard to non deduction of withholding taxes u/s 195	54.92	54.92	A.Y 2014-15	High Court, Mumbai
Income Tax Act, 1961	Income tax payable in regard to disallowance of deduction for Inhouse Research and Development Expense u/s 35 (2AB)	5.16	-	AY 2013-14, AY 2015-16 and AY 2016-17	High Court, Mumbai

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

Independent Auditor’s Report (Contd.)

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made private placement of shares during the year. In our opinion, for such allotment of shares, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been prima facie, applied by the Company for the purposes for which the funds were raised other than the proceeds of Rs. 5,500.39 million which remain unutilized and is currently placed in fixed deposits with banks and the designated bank account, pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has two CICs as part of the Group

Independent Auditor’s Report (Contd.)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN: 25103334BMOVUQ9809

Place: Pune
Date: 08 May 2025

Independent Auditor’s Report (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Bharat Forge Limited (“the Company”) as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial

Independent Auditor’s Report (Contd.)

statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN: 25103334BMOVUQ9809

Place: Pune
Date: 08 May 2025

Balance Sheet

as at March 31, 2025

		In ₹ Million	
	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	28,183.43	28,453.43
(b) Capital work-in-progress	3	8,381.31	3,760.42
(c) Investment property	4	281.63	2.89
(d) Intangible assets	5	27.74	46.55
(e) Right-of-use asset	35	2,800.58	3,064.09
(f) Financial assets			
(i) Investment in subsidiaries, joint ventures and associates	6	43,648.37	28,668.90
(ii) Other investments	7	4,152.44	5,892.26
(iii) Trade receivables	12	118.03	82.19
(iv) Loans	8	58.54	438.34
(v) Derivative instruments	9	289.02	696.82
(vi) Other financial assets	10	1,452.31	371.77
(g) Income tax assets (net)		278.36	254.57
(h) Other non-current assets	14	1,983.25	4,115.55
		91,655.01	75,847.78
II. Current assets			
(a) Inventories	11	15,401.74	13,294.85
(b) Financial assets			
(i) Investments	7	12,647.62	10,089.79
(ii) Trade receivables	12	38,199.59	36,181.75
(iii) Cash and cash equivalent	13	3,589.24	10,412.87
(iv) Other bank balances	13	5,696.13	126.29
(v) Loans	8	151.28	1,036.86
(vi) Derivative instruments	9	600.57	1,139.55
(vii) Other financial assets	10	724.45	332.10
(c) Other current assets	14	3,936.86	3,414.65
		80,947.48	76,028.71
Total assets		172,602.49	151,876.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	956.27	931.27
(b) Other equity	16	108,686.42	84,756.55
Total equity		109,642.69	85,687.82
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	6,594.19	12,820.60
(ii) Lease liabilities	35	2,951.44	3,139.56
(iii) Derivative instruments	19(a)	67.45	7.79
(iv) Other financial liabilities	19	54.04	117.69
(b) Provisions	20	909.81	537.85
(c) Deferred tax liabilities (net)	21	1,066.54	1,523.53
		11,643.47	18,147.02
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	33,222.58	31,425.02
(ii) Lease liabilities	35	188.38	169.91
(iii) Trade payables	22		
Dues to micro enterprises and small enterprises		136.25	66.34
Dues to other than micro enterprises and small enterprises		13,727.07	12,804.82
(iv) Derivative instruments	19(a)	135.66	9.32
(iv) Other financial liabilities	19	1,064.29	834.26
(b) Other current liabilities	23	1,174.29	1,378.30
(c) Provisions	20	1,408.36	982.11
(d) Current tax liabilities (net)		259.45	371.57
		51,316.33	48,041.65
Total liabilities		62,959.80	66,188.67
Total equity and liabilities		172,602.49	151,876.49

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

As per our report of even date

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

Shiraz Vastani
Partner
Membership Number: 103334

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

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

Kedar Dixit
Senior Vice President and CFO

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

Place: Pune
Date: May 08, 2025

Statement of Profit and Loss

for the year ended March 31, 2025

		In ₹ Million	
	Notes	Year ended March 31, 2025	Year ended March 31, 2024
INCOME			
Revenue from operations	24	88,437.30	89,686.34
Other income	25	1,588.53	1,623.41
Total income [i]		90,025.83	91,309.75
EXPENSES			
Cost of raw materials and components consumed	26	35,911.27	38,810.70
Changes in inventories of finished goods, work-in-progress, dies and scrap	27	10.39	(509.71)
Employee benefits expense	28	6,366.06	6,014.47
Finance costs	29	2,498.14	2,874.12
Depreciation and amortisation expenses	30	4,403.69	4,420.42
Other expenses	31	21,115.50	20,593.11
Total expenses [ii]		70,305.05	72,203.11
Profit before exceptional items and tax [i - ii]		19,720.78	19,106.64
Exceptional items (loss)	32	(1,533.14)	(154.33)
Profit before tax		18,187.64	18,952.31
INCOME TAX EXPENSE			
Current tax	21	5,122.06	4,960.90
Deferred tax (credit)		(156.93)	(258.16)
Income tax expense		4,965.13	4,702.74
Profit for the year		13,222.51	14,249.57
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
- Re-measurement (loss) on defined benefit plans	33	(176.54)	(137.13)
- Net (loss) on FVTOCI equity investments	33	(316.91)	(2,055.12)
		(493.45)	(2,192.25)
Income tax effect		35.79	252.86
	[a]	(457.66)	(1,939.39)
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
- Net movement on cash flow hedges	33	(1,050.03)	136.79
Income tax effect		264.27	(34.43)
	[b]	(785.76)	102.36
Other comprehensive income for the year (net of tax)	[a+b]	(1,243.42)	(1,837.03)
Total comprehensive income for the year (net of tax)		11,979.09	12,412.54
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2024: ₹ 2/-)]			
Basic (in ₹)	34	28.16	30.60
Diluted (in ₹)		28.16	30.60

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

As per our report of even date

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

Shiraz Vastani
Partner
Membership Number: 103334

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

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

Kedar Dixit
Senior Vice President and CFO

Place: Pune
Date: May 08, 2025

Place: Pune
Date: May 08, 2025

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Statement of Changes in Equity

for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL:

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

	No.
As at March 31, 2025	478,088,632.00
Changes in equity share capital during the year	12,500,000.00
As at March 31, 2024	465,588,632.00
As at April 01, 2023	465,588,632.00

(1) For the year ended March 31, 2025 In ₹ Million

Balance as on April 1, 2024	Changes in equity share capital during the current year	Balance as on March 31, 2025
931.27	25.00	956.27

(2) For the year ended March 31, 2024 In ₹ Million

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

B. OTHER EQUITY

In ₹ Million

	Reserves and Surplus [Refer note 16]				Items of OCI [Refer note 16]		Total
	Securities premium	Capital reserves	General reserve	Retained earnings	Equity Instruments through Other Comprehensive Income	Cash flow hedge reserve	
Balance as at April 1, 2024	6,930.89	15.50	3,230.48	72,902.60	330.88	1,346.20	84,756.55
- Profit for the year	-	-	-	13,222.51	-	-	13,222.51
- Other Comprehensive Income/(loss)	-	-	-	(132.11)	(325.55)	(785.76)	(1,243.42)
- Premium on allotment of equity shares (Refer note 15)	16,475.00	-	-	-	-	-	16,475.00
- Expenses on allotment of equity shares	(302.67)	-	-	-	-	-	(302.67)
Total comprehensive income	16,172.33	-	-	13,090.40	(325.55)	(785.76)	28,151.42
Transaction with owners in their capacity as owners							
- Final Equity dividend	-	-	-	(3,026.33)	-	-	(3,026.33)
- Interim equity dividend	-	-	-	(1,195.22)	-	-	(1,195.22)
Balance as at March 31, 2025	23,103.22	15.50	3,230.48	81,771.45	5.33	560.44	108,686.42
Balance as at April 1, 2023	6,930.89	15.50	3,230.48	62,480.36	2,167.65	1,243.84	76,068.72
- Profit for the year	-	-	-	14,249.57	-	-	14,249.57
- Other Comprehensive Income	-	-	-	(102.62)	(1,836.77)	102.36	(1,837.03)
Total comprehensive income	-	-	-	14,146.95	(1,836.77)	102.36	12,412.54
Transaction with owners in their capacity as owners							
- Final Equity dividend	-	-	-	(2,560.74)	-	-	(2,560.74)
- Interim equity dividend	-	-	-	(1,163.97)	-	-	(1,163.97)
Balance as at March 31, 2024	6,930.89	15.50	3,230.48	72,902.60	330.88	1,346.20	84,756.55

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

As per our report of even date

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

Shiraz Vastani
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DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

Place: Pune
Date: May 08, 2025

Cash Flow Statement

for the year ended March 31, 2025

In ₹ Million

	Year ended March 31, 2025	Year ended March 31, 2024
OPERATING ACTIVITIES		
Profit after exceptional items and before tax	18,187.64	18,952.31
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	4,403.69	4,420.42
Unrealised foreign exchange gain/(loss)/MTM (net),etc.	223.62	(269.06)
Interest income	(566.24)	(396.90)
Liabilities/provisions no longer required written back	(25.14)	(61.54)
Provision for doubtful debts and advances (includes expected credit loss) (net)	-	50.00
Finance cost	2,498.14	2,874.12
(Gain)/Loss on sale of property, plant and equipment (net)	0.99	(13.00)
Dividend income from investment	(8.34)	(5.67)
(Gain) on sale of financial investments	(1,331.04)	(530.89)
Net loss/(gain) on fair valuation of financial instruments (FVTPL)	767.30	(198.39)
(Gain) on sale of investment in joint venture	(135.36)	-
Non cash exceptional items	1,659.16	133.35
Operating profit before working capital changes	25,674.42	24,954.75
Working capital adjustments:		
(Increase) in trade receivables	(2,018.61)	(3,979.58)
(Increase) in inventories	(2,106.89)	(656.42)
Decrease in other financial assets	177.42	2,041.72
(Increase)/decrease in other assets	(738.82)	1,177.52
Increase in provisions	590.07	659.41
Increase in trade payables	1,047.44	828.30
(Decrease) in other financial liabilities	(150.81)	(248.02)
Increase/(decrease) in other liabilities	(204.64)	573.86
Cash generated from operations	22,269.58	25,351.54
Income taxes paid (net of refunds)	(5,257.97)	(4,435.96)
Net cash flows from operating activities (A)	17,011.61	20,915.58
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, Investment property and intangible assets (including capital work-in-progress, capital creditors and capital advances)	(6,170.90)	(5,278.87)
Proceeds from sale of property, plant and equipment and intangible assets	10.50	37.24
Investment in subsidiaries, associates and joint ventures	(16,249.11)	(6,528.25)
Proceeds from sale of investment in joint ventures	1,054.50	-
Loans given to subsidiaries and associates	-	(1,027.68)
Proceeds from loan given to subsidiaries and associates	-	25.80
Investments in mutual funds, fixed deposits and other deposits	(133,824.24)	(103,284.82)
Proceeds from sale of financial instruments including fixed deposits	126,374.60	107,733.23
Interest received	389.19	229.98
Dividends received	8.34	5.67
Net cash flows (used in) investing activities (B)	(28,407.12)	(8,087.70)
FINANCING ACTIVITIES		
Dividend on equity shares	(4,220.93)	(3,800.67)
Interest on lease liability	(291.21)	(305.59)
Interest paid on borrowing and other liabilities	(2,332.83)	(2,610.62)
Proceeds from Issuance of Equity share capital under Qualified Institutional Placement (QIP)	16,500.00	-
Transaction cost related to Qualified Institutional Placement (QIP)	(302.67)	-
Payment of principal portion of lease liabilities	(170.26)	(151.61)
Proceeds from borrowings including bill discounting (net of expenses)	81,370.67	86,871.32
Repayment of borrowings including bill discounting	(85,982.40)	(86,407.89)
Net cash flows from/(used in) financing activities (C)	4,570.37	(6,405.06)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(6,825.14)	6,422.82
Net foreign exchange difference	1.51	12.89
Cash and cash equivalents at the beginning of the year*	10,412.87	3,977.16
Cash and cash equivalents at the end of the year*	3,589.24	10,412.87

*Excluding earmarked balances

Cash Flow Statement

for the year ended March 31, 2025 (contd.)

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Balances with banks (Note 13):		
In cash credit and current accounts	2,805.51	5,162.11
Deposits with original maturity of less than three months	783.20	5,250.00
Cash on hand	0.53	0.76
Total	3,589.24	10,412.87

The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022
Shiraz Vastani
Partner
Membership Number: 103334

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

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

Kedar Dixit
Senior Vice President and CFO

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

Place: Pune
Date: May 08, 2025

Notes to Standalone Financial Statements

for the year ended March 31, 2025

1. CORPORATE INFORMATION

Bharat Forge Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of forged and machined components including aluminium castings for the auto and industrial sectors as well as assembled products for the defence industry. The Company caters to both domestic and international markets. The registered office of the Company is located at Mundhwa, Pune. The Company has manufacturing facilities at Mundhwa, Baramati, Chakan, Satara, Lonikand and Nellore locations. The Company's CIN is L25209PN1961PLC012046. The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 08, 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Summary of Material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in a normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

a. Current versus non-current classification (contd.)

A liability is current when:

- it is expected to be settled in a normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise except for differences pertaining to long-term foreign currency monetary items as mentioned subsequently.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

c. Investment in subsidiaries, joint ventures and associates

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less accumulated impairment [Refer note 2.2(o)].

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

d. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved in the valuation of significant assets, such as properties and unquoted financial assets. The involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

d. Fair value measurement (contd.)

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- disclosures for valuation methods, significant estimates and assumptions (note 52)
- quantitative disclosures of fair value measurement hierarchy (note 48)
- investment in unquoted equity shares (note 7)
- investment properties (note 4)
- financial instruments (including those carried at amortised cost) (note 49)

e. Revenue from operations

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The policy of recognising the revenue is determined by the five-stage model proposed by Ind AS 115 “Revenue from contract with customers”.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 52(3).

Sale of goods

Revenue from the sale of goods is recognised when the performance obligation is satisfied and usually coincides with the point in time when control of the asset is transferred to the customer, generally on the date of the bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 240 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

In case of bill and hold arrangements, revenue is recognised when the Company completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognised.

Tooling income

Revenue from tooling income is recognised when the performance obligation is satisfied and usually coincides with the point in time when the control of the die is transferred, which is generally on receipt of the customer’s approval (referred to as the production parts approval process or PPAP) as per the terms of the contract.

Sale of services

Revenue from the sale of services is in nature of job work on customer product, which normally takes 1–4 days for completion, and accordingly, revenue is recognised when products are sent to the customer on which job work is completed. The normal credit period is 60 days.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

e. Revenue from operations (contd.)

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using relative a standalone selling price basis, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Trade receivables

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in Note 2.2: Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in the form of advance from the customer (or an amount of consideration is due). If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs the obligation as per the contract.

f. Other Income

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in “Other income” in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

g. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and is allocated to the statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

g. Government grants (contd.)

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export incentives

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

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

h. Taxes (contd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i. Property, plant and equipment

Property, plant and equipment are stated at the cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Internally manufactured property, plant and equipment are capitalised at cost, including GST for which credit is not available, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

i. Property, plant and equipment (contd.)

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on a straight line method based on useful lives, determined based on internal technical evaluation as follows:

Type of asset	Schedule II life (years)	Useful lives estimated by the management (years)
Building - Factories	30	30
Buildings - Others (including roads)	5 to 60	5 to 60
Plant and machineries	15	1 to 23
Plant and machineries- Dies	15	1 to 7
Plant and machineries - Windmill	25	19
Plant and machineries Computers	3	3
Office equipment	5	5
Railway sidings	15	10
Electrical installations	10	10
Factory equipment	10	10
Furniture and fixtures	10	5 to 10
Vehicles	8	8
Aircraft	20	7 to 18

Expenditure on power lines is amortised on a straight-line basis over a period of six years.

The Company, based on a technical assessment made by a technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

j. Investment properties (contd.)

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in note 4. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying a valuation model.

The investment properties held by the Company are in the nature of freehold land, hence are not subject to depreciation.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

In determining the amount of consideration from the derecognition of an investment property the Company considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

k. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset.

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

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

Type of asset	Life (years)
Computer software	3
Technology licences	5

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell the asset

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

k. Intangible assets (contd.)

- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset. During the period of development, the asset is tested for impairment annually.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Leases

The Company assesses at contract inception whether a contract is, or contains, a e. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

l) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life estimated by management (years)
Buildings	2 to 18 years
Leasehold land	95 years
Plant and machinery	15 years

If the ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (o) Impairment of non-financial assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

m. Leases (contd.)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

n. Inventories

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. The cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of work-in-progress and finished goods is determined on a weighted average basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

n. Inventories (contd.)

Scrap is valued at net realisable value.

Dies are valued at cost or net realisable value. The cost includes direct material, labour and a proportion of manufacturing overheads based on normal operating capacity. The cost of dies is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

o. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations including impairment on inventories, are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that the previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

p. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of a past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty

Provision for assurance type warranties predominantly cover risk arising from expected claims for damages on the products sold by the Company, based on expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty-related costs is revised annually.

**q. Post-employment and other employee benefits
Provident fund**

The Company operates two plans for its employees to provide employee benefits in the nature of a provident fund.

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the "Bharat Forge Company Limited Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The cost of providing benefits under the above-mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as an asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

q. **Post-employment and other employee benefits (contd.)**

As for the employees who are not covered under the above scheme, their portion of provident fund is contributed to the Government administered provident fund which is a defined contribution scheme.

The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognised as an asset to the extent that the pre-payment will lead to, a reduction in future payment or a cash refund.

Gratuity, Post retirement medical benefits and pension:

The Company operates two defined benefits plans for its employees viz. gratuity and special gratuity scheme. Payment for present liability of future payment of gratuity is being made to approve gratuity funds. The special gratuity scheme is unfunded. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. A Separate actuarial valuation is carried out for each plan using the project unit credit method.

The Company provides certain additional post employment healthcare benefits and defined benefit pension plan to certain key management personnel. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Under this unfunded scheme, Key managerial personnel of Bharat Forge Limited receive medical benefits and pension, depending on their grade and location at the time of retirement (subject to certain limits on amounts of benefits, for periods after retirement and types of benefits). The Company recognises liability for post-retirement medical and pension scheme based on an actuarial valuation.

Remeasurements, comprising actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet as asset/liability with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment
- the date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

q. **Post-employment and other employee benefits (contd.)**

Superannuation

Retirement benefit in the form of superannuation plan is a defined contribution plan. Defined contributions to insurance Companies for employees covered under the Superannuation scheme are accounted for at the rate of 15% of such employees' basic salary. The Company recognises expenses toward the contribution paid/payable to the defined contribution plan as and when an employee renders the relevant service. If the contribution already paid exceeds the contribution due for service before the balance sheet date, such excess is recognised as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. If the contribution already paid is lower than the contribution due for service before the balance sheet date, the Company recognises that difference as a liability. The Company has no obligation, other than the contribution payable to the superannuation fund.

Privilege leave benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current provision in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as a non-current provision.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of these benefits; and (b) when the entity recognises the cost for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees who have accepted the offer till the reporting date. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

r. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised in consolidated profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortised cost
- Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to exchange traded funds, trade and other receivables.

The Company intends to hold its investment in open-ended target maturity funds (i.e. exchange traded funds/ETF) till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such a strategy mitigates intermittent price volatility in open-ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupons and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open-ended target maturity funds meet the requirements of the SPPI test as per the requirements of Ind AS 109.

Financial assets at FVTOCI

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, reversals and foreign exchange gains or losses in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI Financial assets is reported as interest income using the EIR method.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

r. Financial instruments (contd.)

Financial asset at FVTPL

FVTPL is a residual category for Financial assets. Any Financial asset, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial asset, which otherwise meets amortised cost or as at FVTOCI criteria, as at FVTPL. However, such an election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity investments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity investment as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity investment included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

r. **Financial instruments (contd.)**

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are measured at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of a simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, a 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on a portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expenses in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

r. **Financial instruments (contd.)**

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, the ECL amount is presented as an 'accumulated impairment amount' in the OCI.

For assessing the increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

r. **Financial instruments (contd.)**

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

s. **Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects the statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking the hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, the hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the statement of profit and loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in trade receivables. The change in fair value is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

s. **Derivative financial instruments and hedge accounting (contd.)**

If the hedged item is derecognised, the unamortised fair value is recognised immediately in statement of profit and loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

Cash flow hedges

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts and range forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs. Refer note 50.

Amounts recognised as OCI are transferred to the statement of profit and loss when the hedged transaction affects profit and loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

t. **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

u. **Dividend to equity holders of the Company**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

2.2 Summary of Material accounting policies (contd.)

w. **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issues, bonus elements in a rights issue, share splits, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 Changes in accounting policies and new and amended standards

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

On March 31, 2025, MCA did not issue any accounting standards that were effective on April 1, 2024.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

3. PROPERTY, PLANT AND EQUIPMENT

Cost	In ₹ Million											Capital work-in-progress (note e)
	Freehold land	Buildings (notes a, b)	Plant and machinery (note d)	Office equipment	Railway sidings	Electrical installations	Factory equipment	Furniture and fixtures	Vehicles and aircraft	Power line	Total	
at April 1, 2023	410.92	6,443.22	42,801.81	154.56	0.02	257.66	1,174.04	316.97	2,207.74	6.17	53,773.11	3,032.30
Additions	-	231.34	2,796.56	108.19	-	1.97	217.45	18.47	206.13	-	3,580.11	3,581.26
Disposals	-	-	(90.53)	-	-	-	(3.75)	(0.20)	(10.36)	-	(104.84)	(2,856.00)
Other adjustments	-	-	9.69	-	-	-	-	-	-	-	9.69	2.86
- Borrowing costs (Refer note c)	-	-	-	-	-	-	-	-	-	-	-	-
at March 31, 2024	410.92	6,674.56	45,517.53	262.75	0.02	259.63	1,387.74	335.24	2,403.51	6.17	57,258.07	3,760.42
Additions	983.15	-	2,338.53	12.76	-	-	96.86	32.81	393.79	-	3,857.90	8,007.91
Disposals	-	-	(36.94)	-	-	-	-	(8.15)	(6.56)	-	(51.65)	(3,387.02)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
- Borrowing costs (Refer note c)	-	-	-	-	-	-	-	-	-	-	-	-
at March 31, 2025	1,394.07	6,674.56	47,819.12	275.51	0.02	259.63	1,484.60	359.90	2,790.74	6.17	61,064.32	8,381.31
Accumulated Depreciation												
at April 1, 2023	-	1,305.77	21,487.06	88.47	-	161.42	512.67	155.73	1,059.81	6.17	24,777.10	-
Charge for the year	-	210.77	3,597.24	21.88	-	5.05	105.69	27.80	139.71	-	4,108.14	-
Disposals	-	-	(72.54)	-	-	-	(0.73)	(0.15)	(7.18)	-	(80.60)	-
at March 31, 2024	-	1,516.54	25,011.76	110.35	-	166.47	617.63	183.38	1,192.34	6.17	28,804.64	-
Charge for the year	-	215.66	3,522.16	37.98	-	5.20	116.51	28.36	191.17	-	4,117.04	-
Disposals	-	-	(29.37)	-	-	-	-	(5.88)	(5.54)	-	(40.79)	-
at March 31, 2025	-	1,732.20	28,504.55	148.33	-	171.67	734.14	205.86	1,377.97	6.17	32,880.89	-
Net block												
at March 31, 2024	410.92	5,158.02	20,505.77	152.40	0.02	93.16	770.11	151.86	1,211.17	-	28,453.43	3,760.42
at March 31, 2025	1,394.07	4,942.36	19,314.57	127.18	0.02	87.96	750.46	154.04	1,412.77	-	28,183.43	8,381.31

(a) Buildings include cost of hangar jointly owned with other companies ₹ 0.07 million (March 31, 2024: ₹ 0.07 million).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (b) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except:

a. Flat at Kalyani Nagar in possession of the Company since April 01, 1987, whose title deed is in the name of Shri Anajwala Khozema F & Smt. Anajwala Amina aggregating gross block ₹ 0.31 million and net block at ₹ 0.13 million for which exchange deed is registered at authority, however, certified true copy and index II are awaited.

b. Hanger at Lohegoan in possession of the Company since April 01, 1977 aggregating gross block of ₹ 0.12 million and net block of ₹ 0.04 million and Tenements at Kharadi- Vimannagar in possession of the Company since April 01, 1981 aggregating gross block of ₹ 0.16 million and net block of ₹ 0.01 million for which title deeds are not available with the Company.
- (c) Capitalised borrowing costs:

The Company capitalises borrowing costs in the capital work-in-progress (CWIP) first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital work-in-progress (CWIP) balances. The borrowing costs capitalised during the year ended March 31, 2025 were ₹ Nil (March 31, 2024: ₹ 2.48 million). During the year, the Company did not capitalise any borrowing cost and for the previous year, the capitalisation rate ranges from LIBOR + 60 bps to LIBOR + 100 bps p.a. and EURIBOR + 60 bps to EURIBOR + 64 bps p.a. and SOFR + 60 bps to SOFR + 116 bps, refer note 18(a).
- (d) Assets include assets lying with third parties amounting to net block of ₹ 332.30 Million (March 31, 2024: ₹ 351.61 Million)
- (e) Capital work in progress (CWIP) Ageing Schedule

Particulars	In ₹ Million				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2025					
Projects in progress	7,512.63	387.27	151.75	329.66	8,381.31
Projects temporarily suspended	-	-	-	-	-
Total	7,512.63	387.27	151.75	329.66	8,381.31
March 31, 2024					
Projects in progress	2,918.17	358.29	96.18	387.78	3,760.42
Projects temporarily suspended	-	-	-	-	-
Total	2,918.17	358.29	96.18	387.78	3,760.42

There are no projects whose completion is overdue or that have exceeded their cost compared to the original plan.

- f) The Company has not revalued any property, plant and equipment during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

4. INVESTMENT PROPERTY

In ₹ Million	
Particulars	Freehold land
Cost	
at April 1, 2023	2.89
Additions	-
Disposals	-
at March 31, 2024	2.89
Additions	278.74
Disposals	-
at March 31, 2025	281.63
Accumulated Depreciation	
at April 1, 2023	-
Depreciation for the year	-
at March 31, 2024	-
Depreciation for the year	-
at March 31, 2025	-
Net block	
at March 31, 2024	2.89
at March 31, 2025	281.63

Information regarding income and expenditure of investment property

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Rental income derived from investment properties (included in Rent in note 25)	62.39	4.42
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in Rates and taxes in note 31)	0.28	1.12
Profit arising from investment properties before depreciation and indirect expenses	62.11	3.30
Less: Depreciation	-	-
Profit arising from investment properties before indirect expenses	62.11	3.30

The Company's investment properties consist of three parcels of land situated at Pune, Satara and Chakan.

As at March 31, 2025 and March 31, 2024, the fair values of the properties are ₹ 1,168.98 million and ₹1,168.98 million respectively. The Company obtains independent valuations for its investment properties at least annually. These valuations are performed by an accredited independent valuer firm and this firm is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers ready reckoner rates. The main input used is the ready reckoner rate. All resulting fair value estimates for investment properties are included in Level 2.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

4. INVESTMENT PROPERTY (CONTD.)

The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to either construct or develop investment properties or for repairs, maintenance and enhancement. Freehold land includes 25 acres of land situated at Pune, 24.13 acres of land situated at Satara and 8.40 acres of land situated at Chakan, which has been given on lease.

Reconciliation of fair value

In ₹ Million	
Particulars	Free hold land
at April 1, 2023	1,139.56
Fair value difference	29.42
Purchases	-
at March 31, 2024	1,168.98
Fair value difference	-
Purchases	-
at March 31, 2025	1,168.98

5. INTANGIBLE ASSETS

In ₹ Million			
Particulars	Computer software	Technology Licences	Total
Cost			
at April 1, 2023	85.20	218.57	303.77
Additions	41.36	-	41.36
Disposals	-	-	-
at March 31, 2024	126.56	218.57	345.13
Additions	3.72	-	3.72
Disposals	-	-	-
at March 31, 2025	130.28	218.57	348.85
at April 1, 2023			
Amortisation	23.04	24.40	47.44
Disposals	-	-	-
at March 31, 2024	80.33	218.25	298.58
Amortisation	22.21	0.32	22.53
Disposals	-	-	-
at March 31, 2025	102.54	218.57	321.11
Net block			
at March 31, 2024	46.23	0.32	46.55
at March 31, 2025	27.74	-	27.74

The Company has not revalued any intangible assets during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
At Cost		
Unquoted equity instruments		
- Investment in wholly owned subsidiaries		
Bharat Forge Global Holding GmbH		
Subscription to the equity share capital	287.98	287.98
[EUR 5,000,000 (March 31, 2024: EUR 5,000,000)]		
Capital contribution credited in favour of Bharat Forge Limited	12,505.78	8,959.07
[EUR 158,464,428 (March 31, 2024: EUR 118,464,428)] [Refer note 6(a)]		
	12,793.76	9,247.05
60 (March 31, 2024: 60) Common stock of 1 cent each fully paid up in Bharat Forge America Inc. USD 225,819,514 (March 31, 2024: USD 109,319,514) [Refer note 6(b)]	16,751.22	6,892.08
64,000 (March 31, 2024: 64,000) equity shares of £ 1/- each fully paid up in Bharat Forge International Limited	304.78	304.78
223,966,800 (March 31, 2024: 223,966,800) equity shares of ₹ 10/- each fully paid up in BF Infrastructure Limited [Refer note 6(f)]	1,641.55	1,641.55
Less: Provision for impairment in value of investments	1,488.96	1,488.96
	152.59	152.59
828,613,325 (March 31, 2024: 450,663,325) equity shares of ₹ 10/- each fully paid up in Kalyani Powertrain Limited [Refer note 6(c)]	8,286.13	4,506.64
Less: Provision for impairment in value of investments	1,456.63	-
	6,829.50	4,506.64
69,088,330 (March 31, 2024: 69,088,330) equity shares of ₹ 10/- each fully paid up in Kalyani Centre For Precision Technology Limited	690.88	690.88
341,055,198 (March 31, 2024: 333,229,111) equity shares of ₹ 10/- each fully paid up in BF Industrial Solutions Limited [Refer note 6(d)]	3,719.79	3,539.79
66,510,734 (March 31, 2024: 66,510,734) equity shares of ₹ 10/- each fully paid up in Kalyani Strategic Systems Limited.	788.34	788.34
1,000 (March 31, 2024: 1,000) equity shares of ₹ 10/- each fully paid up in Kalyani Lightweighting Technology Solutions Limited.	0.01	0.01
Carried over	42,030.87	26,122.16

Notes to Standalone Financial Statements

for the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Brought over	42,030.87	26,122.16
- Other subsidiaries where Company holds 51% or more of the equity share capital		
1,010,000 (March 31, 2024: 1,010,000) equity shares of ₹ 10/- each fully paid up in BF Elbit Advanced Systems Private Limited [Refer note 6(h)]	10.10	10.10
Less: Provision for impairment in value of investments	10.10	-
	-	10.10
83,226 (March 31, 2024: 83,226) equity shares of ₹ 10/- each fully paid up in Eternus Performance Materials Private Limited	3.75	3.75
- Investments in joint ventures		
7,128,219 (March 31, 2024: 7,128,219) equity shares of ₹ 10/- each fully paid up in BF NTPC Energy Systems Limited [Refer note 6(e)]	33.64	33.64
Less: Provision for impairment in value of investments	33.64	33.64
	-	-
Nil (March 31, 2024: 12,500) shares of EUR 1/- each in REFU Drive GmbH		
Nil (March 31, 2024: EUR 11,350,000) [Refer note 6(g)]	-	919.14
- Investments in associates		
11,375,000 (March 31, 2024: 11,375,000) equity shares of ₹ 10/- each in Avaada MHVidarbha Private Limited [Refer note 6(i)]	113.75	113.75
Unquoted Preference shares (fully paid)		
150,000,000 (March 31, 2024: 150,000,000) preference shares of ₹ 10/- each fully paid up in BF Industrial Solutions Limited.	1,500.00	1,500.00
Total	43,648.37	28,668.90

- (a) **Bharat Forge Global Holding GmbH (BFGH)**

Contributions to the capital reserves of BFGH as per the German Commercial Code (code), form a part of the equity share capital and accordingly, have been considered as an investment and are redeemable subject to provisions of the code.

During the current year, the Company has made further capital contribution to BFGH of ₹ 3,455.75 million (Euro 39.00 million) for further investment in its subsidiaries Bharat Forge CDP GmbH, Bharat Forge Aluminiumtechnik GmbH and Bharat Forge Kilsta AB and has converted a loan of Euro 1.00 million amounting to ₹ 90.95 million

During the previous year, the Company had made further capital contribution to BFGH of ₹ 3,157.45 million (Euro 35.00 million).
- (b) **Bharat Forge America Inc.**

During the current year, the Company has invested an amount of ₹ 8,833.86 million by way of additional paid in capital (USD 104.50 million) for further investment in its subsidiaries Bharat Forge Aluminium USA, Inc., Bharat Forge PMT Technologie LLC and Bharat Forge Aluminium USA Inc. and has converted a loan of USD 12.00 million amounting to ₹ 1,025.28 million.

During the previous year, the Company had invested an amount of ₹ 1,248.30 million by way of additional paid in capital (USD 15.00 million) for further investment by Bharat Forge America Inc. into its subsidiary, Bharat Forge Aluminium USA, Inc.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTD.)

(c) Kalyani Powertrain Limited (KPL)

During the current year, the Company has invested an amount of ₹ 3,779.50 million by acquiring 377,950,000 right shares of ₹ 10 each in Kalyani Powertrain Limited for further investment in Tork Motors Private Limited, REFU Drive GmbH and Electro Forge Limited. Also the company has made provision for diminution in value of investment amounting to ₹ 1,456.63 million in investment in equity instruments of KPL.

During the previous year, the Company had invested an amount of ₹ 2,612.85 million by acquiring 261,284,808 right shares of ₹ 10 each in Kalyani Powertrain Limited for further investment into its subsidiary Kalyani Mobility Inc., a loan to its subsidiary Electroforge Limited and balance for other business activities.

(d) BF Industrial Solutions Limited (BFISL)

During the current year, the Company has invested an amount of ₹ 180 million by acquiring 7,826,087 right shares of ₹ 10 each at a premium of ₹ 13 each in BF Industrial Solutions Limited for futher investment in J S Auto Cast Foundry India Private Limited.

During the previous year, the Company had invested an amount of ₹ 622.50 million by acquiring 41,499,999 right shares of ₹ 10 each at a premium of ₹ 5 each in BF Industrial Solutions Limited for further investment into its subsidiary JS Auto Cast Foundry India Private Limited.

(e) BF NTPC Energy Systems Limited (BFNTPCESL)

During an earlier year, the shareholders of BFNTPCESL, at their extraordinary general meeting held on October 9, 2018; decided to voluntarily liquidate the Company and engaged a liquidator to liquidate the Company under the provisions of Section 59 of the Insolvency and Bankruptcy Code 2016.

(f) BF Infrastructure Limited (BFIL)

During the previous year, the company had made provision for impairment in value of investment of ₹ 133.35 million in investment in equity instruments of BFIL. The provision was recognised as an exceptional item in the statement of profit and loss.

(g) REFU Drive GmbH (Refu)

During the current year, the company has transferred its investments in REFU Drive GmbH to Kalyani Powertrain Limited, its wholly owned subsidiary for an amount of ₹ 1,054.50 million by transferring 12,500 equity shares of EUR 1 each, due to which REFU Drive GmbH ceased to be an joint venture of the company, in its standalone financial statements.

(h) BF Elbit Advanced Systems Private Limited

During the current year, the company has made provision for impairment in value of investment of ₹ 10.10 million in investment in equity instruments of BF Elbit. The provision has been recognised as an exceptional item in the statement of profit and loss.

(i) Avaada MHVidarbha Private Limited

During the earlier year, the Company had invested an amount of ₹ 113.75 million by acquiring 11,375,000 equity shares of ₹ 10 each for the procurement of solar power.

(j) Compliance with number of layers

The Company has invested funds in subsidiaries, associates and joint-ventures directly or through its wholly owned subsidiaries. The Company has complied with the number of layers prescribed under Section 2 (87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

7. INVESTMENTS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current investments		
(a) Investments designated at fair value through OCI (FVTOCI)		
Equity instruments (unquoted) (fully paid)		
- Investments in others (Company holds 5% or more of the share capital)		
38,384,202 (March 31, 2024: 38,384,202) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited [Refer note 7(c) and 48]	1,070.92	1,060.94
14,245,000 (March 31, 2024: 14,245,000) equity shares of ₹ 10/- each in Avaada SataraMH Private Limited [Refer note 7(c)]	166.38	166.38
2,033,850 (March 31, 2024: 2,033,850) equity shares of ₹ 10/- each in Avaada MHBuldhana Private Limited [Refer note 7(c)]	23.76	23.76
Nil (March 31, 2024: 11,09,132) ordinary shares of £ 0.00001 each in TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) [Refer note 7(e)]	-	9.71
Equity instruments (quoted) (fully paid)		
- Investments in others		
613,000 (March 31, 2024: 613,000) equity shares of ₹ 2/- each fully paid up in Birlasoft Limited (erstwhile KPIT Technologies Limited) [Refer note 7(b)]	237.66	454.85
613,000 (March 31, 2024: 613,000) equity shares of ₹ 10/- each fully paid up in KPIT Technologies Limited (erstwhile KPIT Engineering Limited) [Refer note 7(b)]	801.47	911.16
Total FVTOCI investments	2,300.19	2,626.80
(b) Investments designated at amortised cost		
Debt Mutual funds (unquoted)	1,839.31	1,734.16
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	-	51.06
Equity instruments (unquoted) (fully paid)		
10,349 (March 31, 2024: Nil) equity shares of ₹ 10/- each in Sunsure Solarpark Twenty Eight Private Limited [Refer note 7(f)]	12.94	-
Total amortised cost investments	1,852.25	1,785.22
(c) Investments designated at fair value through profit or loss (FVTPL)		
Equity instruments (unquoted) (fully paid)		
- Investments in others (Company holds 5% or more of the share capital)		
504,432 (March 31, 2024: 504,432) equity shares of ₹ 10/- each in Gupta Energy Private Limited [Refer note 7(a)]	-	-
Investments in private equity fund (unquoted funds)		
665,144.18 (March 31, 2024: 665,144.18) Units of ₹ 100/- each of Paragon Partners Growth Fund - I [Refer note 7(d)]	-	113.33
Investments in units of mutual funds (unquoted funds) [Refer note 7(d)]	-	1,366.91
Total FVTPL investments (Non-current)	-	1,480.24
Total Non Current Investment	4,152.44	5,892.26

Notes to Standalone Financial Statements

for the year ended March 31, 2025

7. INVESTMENTS (CONTD.)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Current investments		
(d) Investments designated at amortised cost		
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	2,130.25	907.50
(e) Investments designated at fair value through profit or loss (FVTPL)		
Investments in units of mutual funds (quoted funds) [Refer note 7(d)]	1,653.42	2,307.02
Investments in units of mutual funds (unquoted funds) [Refer note 7(d)]	8,714.60	6,875.27
Investments in private equity fund (unquoted funds)		
665,040.45 (March 31, 2024: 665,144.18) Units of ₹ 100/- each of Paragon Partners Growth Fund - I [Refer note 7(d)]	149.35	-
Total FVTPL investments (Current)	10,517.37	9,182.29
Total Current Investment	12,647.62	10,089.79
Non-current		
Aggregate book value of quoted investments	100.24	151.30
Aggregate market value of quoted investments	1,039.13	1,417.07
Aggregate value of unquoted investments	3,113.31	4,475.19
Current		
Aggregate book value of quoted investments	3,700.16	2,715.28
Aggregate market value of quoted investments	3,783.67	3,214.52
Aggregate value of unquoted investments	8,714.60	6,875.27

- (a) **Gupta Energy Private Limited (GEPL)**
Shares of GEPL pledged against the facility obtained by Gupta Global Resources Private Limited. This investment is carried at fair value of ₹ Nil.
- (b) **Birlasoft Limited and KPIT Technologies Limited**
The Company had invested in 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, had by its order approved the composite scheme of arrangement (Scheme), amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholders pursuant to the scheme, the engineering business of KPIT Technologies Limited had been transferred to KPIT Engineering Limited.
- Pursuant to the order during an earlier year, Birlasoft (India) Limited had merged with KPIT Technologies Limited and KPIT Technologies had been renamed "Birlasoft Limited". KPIT Engineering Limited had been renamed "KPIT Technologies Limited".
- Pursuant to the scheme, the Company had received 1 equity share of KPIT Technologies Limited of ₹ 10/- each for 1 equity share of Birlasoft Limited of ₹ 2/- each. The ratio of cost of acquisition per share of Birlasoft Limited and KPIT Technologies Limited was 56.64%:43.36%.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

7. INVESTMENTS (CONTD.)

- (c) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity. Refer note 48 for determination of their fair values.
- (d) Investments at fair value through profit or loss (fully paid) reflect investment in quoted/unquoted equity and debt securities. Refer note 48 for determination of their fair values.
- (e) **TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) (Tevva)**
"During the current year, the company has transferred its investments in TMJ Electric Vehicles Limited for an amount of ₹ 0.54 million by transferring 11,09,132 ordinary shares of ₹ 0.00001 each to Bharat Forge International Limited, its wholly owned subsidiary. During the previous year, the Company had considered a fair value adjustment as against the total carrying value of Tevva resulting in other comprehensive loss of ₹ 2,794.23 million. This fair value adjustment was considered basis future projections and revenue market multiple for comparable companies in the segment."
- (f) **Sunsure Solarpark Twenty Eight Private Limited**
During the current year, the Company has invested in Sunsure Solarpark Twenty Eight Private Limited of ₹ 12.94 million by acquiring 10,349 equity shares of ₹ 10 each at a premium of ₹ 1,240 each.

8. LOANS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current (Unsecured, considered good)		
Loans to related parties [Refer note 42, 46]		
Loans to subsidiaries	192.59	378.08
Less: Loss allowance [Refer note 32]	192.59	-
	-	378.08
Other loans		
Loans to employees	58.54	60.26
Total	58.54	438.34
Current (Unsecured, considered good)		
Loans to related parties [Refer note 42, 46, 47]		
Loans to subsidiaries	114.05	1,001.41
Other loans		
Loans to employees	37.23	35.45
Total	151.28	1,036.86

Loans are non derivative financial assets that generate fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

9. DERIVATIVE INSTRUMENTS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	289.02	696.82
Total	289.02	696.82
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	583.94	1,126.58
Fair value hedges (FVTPL)		
Foreign currency forward contracts	-	5.14
Derivatives not designated as hedge (FVTPL)		
Cross-currency swap	16.63	7.83
Total	600.57	1,139.55

Derivative instruments at fair value through OCI reflect the negative change in fair value of foreign currency forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR).

Derivative instruments at fair value through profit or loss reflect the negative change in fair value of EUR/INR and foreign currency forward contracts to hedge exposure to changes in the fair value of underlying Euro liability and trade receivables respectively.

Derivative instruments not designated as hedge reflect the negative change in cross-currency swaps through which the Company has converted two of its long-term INR Non-Convertible Debentures and one of its term loan into a Euro. Also INR pre-shipment credit is converted into USD and EURO for positive interest arbitrage for previous year.

10. OTHER FINANCIAL ASSETS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Government grants ^{\$}	58.52	53.09
Security deposits [#]	351.77	318.68
Corporate Fixed Deposits	1,042.02	-
Total	1,452.31	371.77
Current		
Government grants ^{\$}	27.64	15.51
Recoverable from subsidiaries [Refer note 39]	97.49	263.19
Corporate Fixed Deposits	500.39	-
Interest Recoverable	98.93	53.40
Total	724.45	332.10

^{\$} Includes receivable against various schemes of export incentives and Industrial Promotion Subsidy (IPS) under Package Scheme of Incentives (PSI) 2007. There are no unfulfilled conditions or other contingencies attached to the said government grants.

[#] For further details refer note 39- related party disclosure.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

11. INVENTORIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Raw materials and components*	6,930.94	4,812.52
Work-in-progress	4,801.54	5,085.99
Finished goods**	2,317.33	2,057.15
Stores, spares and loose tools	994.64	995.78
Dies and dies under fabrication	236.30	265.97
Scrap	120.99	77.44
Total	15,401.74	13,294.85

* Includes goods in transit March 31, 2025: ₹ 230.59 million [March 31, 2024: ₹ 297.99]

** Includes goods in transit March 31, 2025: ₹ 1,229.92 million [March 31, 2024: ₹ 1,292.34 million]

During the year ended March 31, 2025: ₹ 32.45 million [March 31, 2024: ₹ (23.33) million] was recognised as (reversal of expense)/expenses for inventories carried at net realisable value.

12. TRADE RECEIVABLES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured		
Considered good	118.36	118.36
Significant increase in credit risk	-	-
	118.36	118.36
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Unsecured (Considered good)	0.33	36.17
Significant increase in credit risk	-	-
	0.33	36.17
Total	118.03	82.19
Current		
Secured		
Considered good	24.73	39.25
	24.73	39.25
Unsecured		
Considered good (including related party receivables)	38,449.97	36,460.43
Significant increase in credit risk	-	-
Credit impaired	114.50	35.84
	38,564.47	36,496.27
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	114.50	35.84
Unsecured (Considered good)	275.11	317.93
	389.61	353.77
Total	38,199.59	36,181.75

Notes to Standalone Financial Statements

for the year ended March 31, 2025

12. TRADE RECEIVABLES (CONTD.)

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 240 days.

For terms and conditions relating to related party receivables, Refer note 39. For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer note 39 and 42.

Trade receivables ageing schedule

As at March 31, 2025

Particulars	In ₹ Million						
	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
(a) Considered good	30,015.03	7,432.10	898.05	105.70	46.55	95.63	38,593.06
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	6.46	24.55	22.14	31.33	30.02	114.50
Unbilled revenue	-	-	-	-	-	-	-
Total	30,015.03	7,438.56	922.60	127.84	77.88	125.65	38,707.56
Loss Allowance	33.80	62.48	67.36	34.55	66.10	125.65	389.94

As at March 31, 2024

Particulars	In ₹ Million						
	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues receivables							
(a) Considered good	31,438.42	3,790.75	276.01	779.89	252.69	80.28	36,618.04
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	0.09	35.75	35.84
Unbilled revenue	-	-	-	-	-	-	-
Total	31,438.42	3,790.75	276.01	779.89	252.78	116.03	36,653.88
Loss Allowance	42.02	29.55	8.70	107.85	88.96	112.86	389.94

Notes to Standalone Financial Statements

for the year ended March 31, 2025

12. TRADE RECEIVABLES (CONTD.)

The amount repayable under the bill discounting arrangement is presented as borrowing. The relevant carrying amounts are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Transferred receivables	20,520.01	20,005.49
Associated secured borrowing [bank loans - Refer note 18]	20,529.41	20,008.63

13. CASH AND BANK BALANCES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Balances with banks:		
In cash credit and current accounts	2,805.51	5,162.11
Deposits with original maturity of less than three months	783.20	5,250.00
Cash on hand	0.53	0.76
Total	3,589.24	10,412.87
Other bank balances		
Earmarked balances (on unclaimed dividend and unspent CSR accounts)	193.46	119.07
Other earmarked balances*	5,500.00	-
Deposits with original maturity of less than twelve months	2.67	7.22
Total	5,696.13	126.29

Bank deposits earn interest at fixed rates. Short-term deposits are generally made for varying periods from seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

* Unutilised funds from QIP for the purpose of acquisition of AAM India Manufacturing Corporation Private Limited parked in Fixed deposit with bank.

14. OTHER ASSETS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current (Unsecured, considered good)		
Capital advances	1,419.52	3,770.89
Government grants ^{\$}	82.59	74.46
Balances with government authorities	481.14	270.20
Total	1,983.25	4,115.55
Current (Unsecured, considered good)		
Balances with government authorities	2,379.20	1,625.39
Government grants ^{\$}	219.40	228.95
Advance to suppliers	762.07	1,047.32
Others	576.19	512.99
Total	3,936.86	3,414.65

^{\$} Includes receivables against various schemes of export incentives. There are no unfulfilled conditions or other contingencies attached to the said government grants.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

14. OTHER ASSETS (CONTD.)

No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person, except as disclosed in **note 39 and 42**.

For terms and conditions relating to related party receivables, refer **note 39**.

Break up of financial assets carried at cost

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Investment in subsidiaries, joint ventures and associates [Refer note 6]	43,648.37	28,668.90
Total	43,648.37	28,668.90

Break up of financial assets carried at amortised cost

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Investments [Refer note 7]	3,969.56	2,692.72
Loans [Refer note 8]	209.82	1,475.20
Other financial assets [Refer note 10]	2,176.76	703.87
Trade receivables [Refer note 12]	38,317.62	36,263.94
Cash and cash equivalents [Refer note 13]	3,589.24	10,412.87
Other bank balances [Refer note 13]	5,696.13	126.29
Total	53,959.13	51,674.89

Break up of financial assets carried at fair value through OCI

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Investments [Refer note 7]	2,300.19	2,626.80
Derivative instruments [Refer note 9]	872.96	1,823.40
Total	3,173.15	4,450.20

Break up of financial assets carried at fair value through profit and loss

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Investments [Refer note 7]	10,517.37	10,662.53
Derivative instruments [Refer note 9]	16.63	5.14
Total	10,534.00	10,667.67

Notes to Standalone Financial Statements

for the year ended March 31, 2025

15. EQUITY SHARE CAPITAL

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Authorised shares (No.)		
975,000,000 (March 31, 2024: 975,000,000) equity shares of ₹ 2/- each	1,950.00	1,950.00
43,000,000 (March 31, 2024: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2024: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
478,268,492 (March 31, 2024: 465,768,492) equity shares of ₹ 2/- each	956.54	931.54
Subscribed and fully paid-up (No.)		
478,088,632 (March 31, 2024: 465,588,632) equity shares of ₹ 2/- each	956.18	931.18
Add:		
172,840 (March 31, 2024: 172,840) forfeited equity shares comprising 15,010 equity shares (March 31, 2024: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2024: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50 each)	0.09	0.09
Total issued, subscribed and fully paid-up share capital	956.27	931.27

- (a) **Terms/rights attached to equity shares**
The Company has only one class of issued equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (b) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**
In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Equity Shares	As at March 31, 2025		As at March 31, 2024	
	No.	₹ in Million	No.	In ₹ Million
At the beginning of the year	465,588,632	931.18	465,588,632	931.18
Issue of shares through QIP [Refer note a]	12,500,000	25.00	-	-
Outstanding at the end of the year	478,088,632	956.18	465,588,632	931.18

- (c) The Company raised capital of ₹ 16,500 million through Qualified Institutions Placement ("QIP") of equity shares. The Investment Committee constituted by Board of Directors of the Company, at its meeting held on December 09, 2024, approved the allotment of 12,500,000 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 1,320 per equity share (including a premium of ₹ 1,318 per equity share). The objectives of the QIP were repayment/prepayment of certain borrowings availed by certain subsidiaries, proposed acquisition of the equity shares of AAM India Manufacturing Corporation Private Limited, including all associated costs in relation to the proposed acquisition and general corporate purposes. Out of the total proceeds, ₹ 10,999.61 million was utilised during the period for repayment/prepayment of certain borrowings, general corporate purpose and expenses attributable to QIP issue. The unspent amount of ₹ 5,500 million has been placed in fixed deposits with banks and ₹ 0.39 million in the Company's monitoring account. The equity shares issued as a result of QIP have been considered in calculating earnings per share (EPS) for year ended March 31, 2025.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

15. EQUITY SHARE CAPITAL (CONTD.)

(d) Disclosure of shareholding of promoters and promoter group

Name of the promoter/promoter group member	Number of shares held at March 31, 2025	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.14%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.68%	-
Ajinkya Investment & Trading Company	14,981,850	3.13%	-
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	0.02%
Kalyani Investment Company Limited	63,312,190	13.24%	-
BF Investments Limited	15,614,676	3.27%	-
Rajgad Trading Company Private Limited	1,360,260	0.28%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.39%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	0.98%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.23%	-
Campanula Investment & Finance Limited	739,980	0.15%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.21%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

Name of the promoter/promoter group member	Number of shares held at March 31, 2024	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.15%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.94%	-
Ajinkya Investment & Trading Company	14,981,850	3.22%	-
Sundaram Trading and Investment Private Limited	55,240,174	11.86%	-
Kalyani Investment Company Limited	63,312,190	13.60%	-
BF Investments Limited	15,614,676	3.35%	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

15. EQUITY SHARE CAPITAL (CONTD.)

Name of the promoter/promoter group member	Number of shares held at March 31, 2024	% of total shares	% Change during the year
Rajgad Trading Company Private Limited	1,360,260	0.29%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.40%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	1.01%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.24%	-
Campanula Investment & Finance Limited	739,980	0.16%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.22%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

(e) 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.

(f) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	63,312,190	13.24%	63,312,190	13.60%
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	55,240,174	11.87%
KSL Holdings Private Limited	46,285,740	9.68%	46,285,740	9.94%

(g) Shares reserved for issue under option

Particulars	As at March 31, 2025	As at March 31, 2024
	No.	No.
4,682 (March 31, 2024: 4,680) equity shares of ₹ 2/- each out of the bonus issue and previous issue of equity shares on a right basis together with 234 (March 31, 2024: 234) detachable warrants entitled to subscription of 2,340 (March 31, 2024: 2,340) equity shares of ₹ 2/- each, have been kept in abeyance and reserve for issue pending adjudication of title to the pre-right holding.	7,020	7,020

(h) Global depository receipts

The Company had issued 3,636,500 equity shares of ₹ 10/- each (later sub-divided into 18,182,500 equity shares of ₹ 2/- each) in April 2005 represented by 3,636,500 Global Depository Receipts (GDR) (on sub division 18,182,500 GDRs) evidencing "Master GDR Certificates" at a price of USD 27.50 per GDR (including premium). GDRs outstanding as at year end are Nil (March 31, 2024: 800). The funds raised had been utilised towards the object of the issue.

Holders of GDRs had no voting rights or other direct rights of a shareholder with respect to the shares underlying the GDR. Since the GDR holding have significantly declined, the termination of the GDR programme was initiated effective from January 15, 2024 and the GDRs were delisted from the Luxembourg Stock Exchange with effect on January 16, 2024.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

16. OTHER EQUITY

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserves		
Special capital incentive [Refer note 16(a)]		
Balance as per the last financial statements	2.50	2.50
Closing balance	2.50	2.50
Warrants subscription money [Refer note 16(b)]		
Balance as per the last financial statements	13.00	13.00
Closing balance	13.00	13.00
Closing balance	15.50	15.50
Securities premium [Refer note 16(c)]		
Balance as per the last financial statements	6,930.89	6,930.89
Premium on allotment of equity shares [Refer note 15(c)]	16,475.00	-
Expenses on allotment of equity shares	(302.67)	-
Closing balance	23,103.22	6,930.89
General reserve [Refer note 16(d)]		
Balance as per the last financial statements	3,230.48	3,230.48
Closing balance	3,230.48	3,230.48
Retained earnings in the statement of profit and loss [Refer note 16(e)]		
Balance as per the last financial statements	72,902.60	62,480.36
Add:		
- Net profit for the year	13,222.51	14,249.57
- Items of OCI:		
Re-measurement of defined benefit obligations	(132.11)	(102.62)
Less:		
- Final equity dividend of previous year	3,026.33	2,560.74
- Interim equity dividend for current financial year	1,195.22	1,163.97
Closing balance	81,771.45	72,902.60
Cash flow hedge reserve [Refer note 2.2(s)]		
Balance as per the last financial statements	1,346.20	1,243.84
Add: Arising during the year	60.35	1,018.33
Less: Adjusted during the year	846.11	915.97
Closing balance	560.44	1,346.20
Equity instruments through other comprehensive income		
Balance as per the last financial statements	330.88	2,167.65
Add/(less): Arising/(Adjusted) during the year	(325.55)	(1,836.77)
Closing balance	5.33	330.88
Closing balance	108,686.42	84,756.55

Notes to Standalone Financial Statements

for the year ended March 31, 2025

16. OTHER EQUITY (CONTD.)

- (a) **Special capital incentive:**
Special capital incentive is created during the financial year 1999-2000, amounting to ₹ 2.50 million under the 1988 Package Scheme of Incentives.
- (b) **Warrants subscription money:**
The Company had issued and allotted to Qualified Institutional Buyers, 10,000,000 equity shares of ₹ 2/- each at a price of ₹ 272/- per share aggregating to ₹ 2,720 million on April 28, 2010, simultaneous with the issue of 1,760, 10.75% Non Convertible Debentures (NCD) of a face value of ₹ 1,000,000/- at par, together with 6,500,000 warrants at a price of ₹ 2/- each entitling the holder of each warrant to subscribe for 1 equity share of ₹ 2/- each at a price of ₹ 272/- at any time within 3 years from the date of allotment. Following the completion of the three-year term, the subscription money received on issue of warrants was credited to capital reserve as the same is not refundable/adjustable. Further the warrants had lapsed and ceased to be valid from April 28, 2013.
- (c) **Securities premium:**
Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013. The Company has issued 12,500,000 equity shares of ₹ 2/- each at a price of ₹ 1,320/- per share (including a premium of ₹ 1,318 per equity share). The costs that are attributable directly to the above transaction amounting to ₹ 302.67 million, have been adjusted against securities premium.
- (d) **General reserve:**
General reserve is created by way of transfer from profits for the year.
- (e) **Retained earnings:**
Retained earnings in the statement of profit and loss represents the balanced undistributed profits of the Company as on Balance Sheet date.

17. DISTRIBUTION MADE AND PROPOSED TO BE MADE

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash dividends on equity shares declared and paid:		
Final dividend		
For the year ended on March 31, 2024: ₹ 6.50 per share (March 31, 2023: ₹ 5.50 per share)	3,026.33	2,560.74
Interim dividend		
During the year ended on March 31, 2025: ₹ 2.50 per share (March 31, 2024: ₹ 2.50 per share)	1,195.22	1,163.97
Proposed dividend on equity shares:		
Final dividend		
For the year ended on March 31, 2025: ₹ 6.00/- per share (March 31, 2024: ₹ 6.50/- per share)	2,868.53	3,026.33

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at year end.

The Company has complied with the provisions of Section 123 of the Companies Act, 2013 related to dividend declared and dividend paid.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

18. BORROWINGS

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current borrowings		
- Debentures		
5.97% Rated Unsecured Non-Convertible Debentures [Refer note 18(a)(i)]	-	2,495.81
5.80% Rated Unsecured Non-Convertible Debentures [Refer note 18(a)(ii)]	-	1,996.99
7.80% Rated Unsecured Non-Convertible Debentures [Refer note 18(a)(ii)]	1,246.59	1,245.04
- Term loans from banks		
Foreign currency term loans (unsecured)		
On bilateral basis [Refer note 18(a)]	-	1,332.77
Rupee loans term loan (unsecured)		
On bilateral basis [Refer note 18(b)]	5,347.60	5,749.99
Total	6,594.19	12,820.60
Current borrowings		
- Debentures - current maturity		
5.97% Rated Unsecured Non-Convertible Debentures [Refer note 18(a)(i)].	2,495.55	1,493.41
5.80% Rated Unsecured Non-Convertible Debentures [Refer note 18(a)(ii)]	1,999.88	-
- Current maturity of term loans from banks		
Foreign currency term loans (unsecured)		
On bilateral basis [Refer note 18(a)].	1,365.89	2,769.62
Rupee currency term loans (unsecured)		
On bilateral basis [Refer note 18(b)].	400.00	-
- From banks		
Foreign currency loans		
Preshipment credit (secured) [Refer note 18(c)]	6,051.59	2,525.57
Preshipment credit (unsecured) [Refer note 18(c)]	189.12	407.87
Bill discounting with banks (secured) [Refer note 18(d)]	14,109.60	12,663.49
Bill discounting with banks (unsecured) [Refer note 18(d)]	6,372.65	7,295.82
Rupee loans		
Preshipment credit (secured) [Refer note 18(c)]	-	3,550.00
Preshipment credit (unsecured) [Refer note 18(c)]	-	400.00
Bill discounting with banks (unsecured) [Refer note 18(d)]	47.16	49.32
Interest accrued but not due on borrowings	191.14	269.92
Total	33,222.58	31,425.02
Total secured loans	20,161.19	18,739.06
Total unsecured loans	19,655.58	25,506.56
	39,816.77	44,245.62

Notes to Standalone Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

Changes in liabilities arising from financing activities*

In ₹ Million		
Particulars	Current borrowings	Non-current borrowings
Balance as on April 1, 2023	32,324.47	12,031.78
Net cash flows	(4,614.55)	4,999.99
Foreign exchange differences	(547.07)	38.96
Regroup from non-current to current	4,259.56	(4,259.55)
Others	2.61	9.42
Balance as on March 31, 2024	31,425.02	12,820.60
Net cash flows	(4,688.12)	-
Foreign exchange differences	214.60	33.12
Regroup from non-current to current	6,261.32	(6,261.32)
Others	9.76	1.79
Balance as on March 31, 2025	33,222.58	6,594.19

* For details relating to lease liabilities refer note 35(a).

(a) Foreign currency term loans

Foreign currency term loans on syndicated and bilateral basis (Unsecured)

Repayable in half yearly/yearly instalments along with interest ranging from LIBOR + 60 bps to LIBOR + 100 bps p.a., EURIBOR + 60 bps to EURIBOR + 64 bps p.a. and SOFR + 60 bps to SOFR + 116 bps.

Date of repayment	Repayment schedule			
	As at March 31, 2025		As at March 31, 2024	
	USD in Million	In ₹ Million	USD in Million	In ₹ Million
From				
- December 2024 (Yearly instalment over 2 years)	-	-	32.00	2,664.32
In				
- December 2025	16.00	1,365.89	-	-
	EUR in Million	In ₹ Million	EUR in Million	In ₹ Million
In				
- May 2024	-	-	16.00	1,438.07

- (a) (i) **Unsecured Non-convertible debentures (NCDs)** Repayable in yearly instalments along with interest of 5.97% p.a. The Company has issued 5,000 5.97% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on a private placement basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the Debentures along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
From		
- August 2024 (Yearly instalment over 2 years)	-	4,000.00
In		
- August 2025	2,500.00	-

- (a) (ii) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.80% p.a.**
During the Financial year 2022-23, the Company issued 2,000 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on a private placement basis.

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
In		
- April 2025	2,000.00	2,000.00

- (a) (iii) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 7.80% p.a.**
During the previous year, the Company issued 12,500 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 100,000/- each on a private placement basis.

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
In		
- March 2027	1,250.00	1,250.00

Notes to Standalone Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

- (b) (i) **Rupee term loan (unsecured)**
During the Financial year 2022-23, the Company has availed the term loan of ₹ 2,000 million @ 5.90% p.a. from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
From		
- June 2025 (Yearly instalment over 3 years)	2,000.00	2,000.00

- (b) (ii) **Rupee term loan (unsecured)**
During the previous year, the Company has availed the term loan of ₹ 3,750 million @ 3 Month T-Bill + 95 bps from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
From		
- February 2027 (Yearly instalment over 3 years)	3,747.60	3,749.99

- (c) **Preshipment credit**
The loan is secured against hypothecation of inventories (refer note 11) and trade receivables (refer note 12)

Preshipment credit - Rupee (secured and unsecured) is repayable within 90 days and carries interest @ 7.00% to 8.50% p.a.

Pre-shipment credit - foreign currency (secured and unsecured) is repayable within 90 days to 180 days and carries interest @ SOFR/Euribor + 55 bps to SOFR/Euribor + 120 bps p.a. respectively.
- (d) **Bill discounting with banks**
The loan is secured against hypothecation of inventories (refer note 11) and trade receivables (refer note 12).

Bill discounting (secured and unsecured) with banks is repayable within 30 to 210 days.

Rupee and Foreign bill discounting (secured and unsecured) with banks carries interest @ 7.00% p.a. to 8.15% p.a. and SOFR + 55 bps to SOFR + 120 bps p.a. & EURIBOR + 55 bps to EURIBOR + 120 bps p.a. respectively.
- (e) **Loans availed for specific purpose and their utilisation for specified purpose:**
During the previous year, the Company had availed of unsecured rupee term loan and issued listed, rated, unsecured, redeemable, non-convertible debentures on a private placement basis. Proceeds from the said term loan had been partially utilised for the intended purpose and the balance amount had been parked in a designated bank account. Proceeds from non-convertible debentures pending utilisations were parked in fixed deposits with a bank.
- (f) **Working capital facilities and statements filed with bank**
The Company has availed working capital facilities from banks in the form of preshipment credit, bill discounting, working capial demand loan and cash credit. The Company has filed quarterly statements with banks with regard to the securities provided against such working capital facilities on a periodic basis. The statements filed by the Company are in agreement with the books of accounts of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

The Company has been sanctioned a fund-based limit of ₹40,080 million and non-fund based limit of ₹ 7,250 million as on March 31, 2025 and (fund-based limit of ₹ 34,080 million and non-fund based limit of ₹ 7,250 million as on March 31, 2024) in respect of working capital facilities by its bankers.

- (g) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

19. OTHER FINANCIAL LIABILITIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Other non-current financial liabilities		
Voluntary retirement scheme compensation (at amortised cost)	31.05	115.82
Security deposits..	22.99	1.87
Total	54.04	117.69
Other current financial liabilities at amortised cost		
Payables for capital goods	661.41	422.43
Security deposits.	177.89	200.64
Directors' commission	31.00	7.50
Investor Education and Protection Fund (as and when due)#		
- Unpaid dividend	109.45	35.16
- Unpaid matured deposits	0.04	0.04
Voluntary retirement scheme compensation	84.50	168.49
Total	1,064.29	834.26

The Company has declared interim as well as final dividend in past years. Though a large portion of this dividend has been paid to members of the Company, an amount of ₹ 0.13 million (March 31, 2024: ₹ 0.13 million) has been pending over the period. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unclaimed dividend shall be remitted online to the Investor Education and Protection Fund ('IEPF') along with a statement in relevant form, containing details of shareholders. Considering that all the particulars required for filing are not available, the company has not transferred the unclaimed dividend to IEPF and the relevant funds are available in separate bank accounts (refer Other Bank Balances in note 13).

19(A). DERIVATIVE INSTRUMENTS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	67.45	7.79
Total	67.45	7.79
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	46.09	9.32
Derivatives not designated as hedge (FVTPL)		
Cross-currency swap	89.57	-
Total	135.66	9.32

Notes to Standalone Financial Statements

for the year ended March 31, 2025

19. OTHER FINANCIAL LIABILITIES (CONTD.)

Derivative instruments at fair value through OCI reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR). Derivative instruments at fair value through profit or loss reflect the negative change in fair value of EUR/INR and foreign currency forward contracts to hedge exposure to changes in the fair value of underlying Euro liability.

Derivative instruments not designated as hedge reflect the negative change in cross-currency swaps through which the Company has converted two of its long-term INR Non-Convertible Debentures and one of its term loans into a Euro.

20. PROVISIONS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Provisions for employee benefits		
Provision for gratuity [Refer note 37(a)]	279.70	126.93
Provision for special gratuity [Refer note 37(b)]	198.27	186.64
Provision for pension and similar obligation [Refer note 37(d) and 39(ii)(18)].	360.04	223.98
Provision for employees' provident fund [Refer note 37(c)]	71.80	0.30
Total	909.81	537.85
Current		
Provisions for employee benefits		
Provision for gratuity [Refer note 37(a)].	130.00	120.00
Provision for special gratuity [Refer note 37(b)].	12.79	11.70
Provision for leave benefits	410.98	381.87
Provision for pension and similar obligation [Refer note 37(d) and 39(ii)(18)]	12.53	12.53
Other provisions		
Provision for warranties*	842.06	456.01
Total	1,408.36	982.11

* Provision for warranties

Provision for assurance-type warranties predominantly cover risk arising from expected claims for damages on the products sold by the Company, based on the expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. These claims are expected to be settled in the next financial year.

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	456.01	-
Arising during the year	391.45	456.01
Utilised during the year	(5.40)	-
At the end of the year	842.06	456.01

Notes to Standalone Financial Statements

for the year ended March 31, 2025

21. INCOME AND DEFERRED TAXES

The major components of income tax expenses for the years ended March 31, 2025 and March 31, 2024 are:

Statement of profit and loss:
Profit and loss section

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current income tax:		
Current income tax charge	5,268.32	5,122.00
Tax for previous years	(146.26)	(161.10)
Deferred tax:		
Relating to origination and reversal of temporary differences	(156.93)	(258.16)
Income tax expense reported in the statement of profit and loss	4,965.13	4,702.74

OCI section

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax related to items recognised in OCI:		
Net Gain/(Loss) on revaluation of cash flow hedges	(264.27)	34.43
Net Gain/(Loss) on re-measurement of defined benefit plans	(44.43)	(34.51)
Net Gain/(Loss) on FVTOCI equity securities	8.64	(218.35)
Income tax charged to OCI	(300.06)	(218.43)

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for the year ended March 31, 2025 and March 31, 2024

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax from operations	18,187.64	18,952.31
Applicable income tax rate of 25.168% (March 31, 2024: 25.168%)	4,577.47	4,769.92
Exceptional items not deductible	384.51	33.56
Other disallowances	149.43	60.36
Adjustment in respect of reversal of income tax expense of earlier years	(146.26)	(161.10)
At the effective income tax rate of 27.30% (March 31, 2024: 24.81%)	4,965.15	4,702.74
Income tax expense reported in the statement of profit and loss	4,965.13	4,702.74

Notes to Standalone Financial Statements

for the year ended March 31, 2025

21. INCOME AND DEFERRED TAXES (CONTD.)

Major components of deferred tax as at March 31, 2025 and March 31, 2024:

Deferred tax liability (net)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability		
Property, plant and equipment and intangible assets	1,434.40	1,608.17
Fair valuation of cash flow hedges	188.49	452.76
Fair valuation of FVTOCI equity securities	236.42	227.78
Right of Use Assets related	689.02	755.14
Temporary differences in accounting treatment as required by Income tax standards	173.46	207.21
Total Deferred Tax Liability:	2,721.79	3,251.06
Deferred Tax Asset		
Lease liabilities related	(790.23)	(832.93)
Temporary differences in accounting treatment as required by Income tax standards	(865.02)	(894.60)
Total Deferred Tax Asset:	(1,655.25)	(1,727.53)

Major components of deferred tax for the year ended March 31, 2025 and March 31, 2024:

Deferred tax expense/(income)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	(173.77)	(193.64)
Temporary differences in accounting treatment as required by Income tax standards	16.84	(64.52)
Deferred tax expense	(156.93)	(258.16)

Reflected in the balance sheet as follows

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	(1,655.25)	(1,727.53)
Deferred tax liabilities	2,721.79	3,251.06
Deferred tax liabilities (net)	1,066.54	1,523.53

Reconciliation of deferred tax liabilities (net)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening balance	1,523.53	2,000.12
Tax expense/(income) during the period recognised in profit or loss	(156.93)	(258.16)
Tax expense/(income) during the period recognised in OCI	(300.06)	(218.43)
Closing balance	1,066.54	1,523.53

During the years ended March 31, 2025 and March 31, 2024, the Company has not surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961, (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

22. TRADE PAYABLES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Trade payables		
Dues to micro enterprises and small enterprises [Refer note 43]	136.25	66.34
Dues to other than micro enterprises and small enterprises (including related parties payables)	13,727.07	12,804.82
Total	13,863.32	12,871.16

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 60 to 90 days terms.
- Other payables (under note 19 and 23) are non-interest bearing and have an average term of 60 days
- For terms and conditions with related parties, refer note 39.

The above amount of trade payables is net off certain advances given to suppliers (Related parties) amounting to ₹ 720 million (March 31, 2024: ₹ 720 million). The Company currently has a legally enforceable right to set off the advance against the respective payables. The Company intends to settle these amounts on a net basis.

For the Company's credit risk management processes, refer note 53.

Trade payables ageing schedule

As at March 31, 2025

Particulars	In ₹ Million						
	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	112.19	24.06	-	-	-	136.25
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,066.38	7,094.65	3,420.62	448.34	239.07	458.01	13,727.07
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	2,066.38	7,206.84	3,444.68	448.34	239.07	458.01	13,863.32

* Unbilled represents accrual for expenses

Notes to Standalone Financial Statements

for the year ended March 31, 2025

22. TRADE PAYABLES (CONTD.)

As at March 31, 2024

Particulars	In ₹ Million						
	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	58.66	7.68	-	-	-	66.34
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,023.39	6,577.12	3,372.98	334.00	206.50	290.83	12,804.82
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	2,023.39	6,635.78	3,380.66	334.00	206.50	290.83	12,871.16

* Unbilled represents accrual for expenses

23. OTHER LIABILITIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Current		
Contract liabilities (advances from customers and deferred revenue)\$	773.97	877.35
Employee contributions and recoveries payable	116.54	116.55
Statutory dues payable including tax deducted at source#	271.57	372.76
Others*	12.21	11.64
Total	1,174.29	1,378.30

\$ The contract liabilities primarily relate to the advance consideration received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognised when the risk is passed on to the customers.

Includes payable with respect to Good and Services Tax,, Gram Panchayat Tax, With holding taxes, provident fund etc.

* Others includes rent received in advance and miscellaneous liabilities.

Break up of the financial liabilities at amortised cost

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Borrowings [Refer note 18]	39,816.77	44,245.62
Lease liabilities [Refer note 35]	3,139.82	3,309.47
Other financial liabilities [Refer note 19]	1,118.33	951.95
Trade payables [Refer note 22]	13,863.32	12,871.16
Total financial liabilities carried at amortised cost	57,938.24	61,378.20

Notes to Standalone Financial Statements

for the year ended March 31, 2025

24. REVENUE FROM OPERATIONS

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		
- Sale of goods	83,177.09	84,321.18
- Tooling income	618.04	524.54
Total sale of products	83,795.13	84,845.72
Sale of services		
- Job work charges	351.10	342.39
- Service-type Warranty	24.61	35.67
Other operating revenues		
- Manufacturing scrap	3,141.11	3,258.87
- Government grants - export incentives [Refer note 10]	1,093.52	1,159.59
- Sale of electricity/REC - Windmills	31.83	44.10
Total	88,437.30	89,686.34
- Within India	41,156.04	40,404.54
- Outside India	47,281.26	49,281.80
Total Revenue from operations	88,437.30	89,686.34

Set out below is the amount of revenue recognised from

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amounts included in contract liabilities at the beginning of the year	483.43	298.93

For balances in respect of contract liabilities Refer note 23 and trade receivables Refer note 12.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products	83,795.13	84,845.72
Sale of services	375.71	378.06
Manufacturing scrap	3,141.11	3,258.87
Subtotal:	87,311.95	88,482.65
(Less): Adjustments (sales returns, discounts, hedging etc.)	(1,061.18)	(1,410.50)
Revenue as per contracted price	86,250.77	87,072.15

Notes to Standalone Financial Statements

for the year ended March 31, 2025

25. OTHER INCOME

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Dividend income from equity investments	8.34	5.67
Net (loss)/gain on fair valuation of financial instruments (FVTPL)	(767.30)	198.40
Net gain on sale of financial instruments	1,331.04	530.89
Government grants [#]	13.41	69.81
Liabilities/provisions no longer required written back	25.14	61.54
Interest Income on assets measured at amortised cost:		
- Fixed deposits and others ^{**}	460.41	316.81
- Loans to subsidiaries/associates	105.83	80.09
Rent (Refer note 35(b))	156.94	106.50
Gain on sale/discard of property, plant and equipment (net)	-	13.00
Miscellaneous income	254.72	240.70
Total	1,588.53	1,623.41

[#] Includes government grant on pre-shipment credit and bill discounting where the Company has availed the benefit of interest equalisation scheme of the Reserve Bank of India. Interest on borrowings is accounted for on a gross basis in note 29. There are no unfulfilled conditions or contingencies attached to these grants.

^{**} Includes interest on account of unwinding of security deposits and interest income on fixed income securities.

26. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year [Refer note 11]	4,812.52	4,731.10
Add: Purchases	38,029.69	38,892.12
Less: Inventory as at end of the year [Refer note 11]	6,930.94	4,812.52
Cost of raw materials and components consumed	Total 35,911.27	38,810.70

27. (INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, DIES AND SCRAP

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	4,801.54	5,085.99
Finished goods [includes items lying with third parties and items in transit]	2,317.33	2,057.15
Dies and dies under fabrication	236.30	265.97
Scrap	120.99	77.44
	7,476.16	7,486.55
Inventories at the beginning of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	5,085.99	4,383.56
Finished goods [includes items lying with third parties and items in transit]	2,057.15	2,246.01
Dies and dies under fabrication	265.97	216.59
Scrap	77.44	130.68
	7,486.55	6,976.84
Total	10.39	(509.71)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

28. EMPLOYEE BENEFITS EXPENSE

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus (including managing and whole time director's remuneration) [Refer note 37(d)]	5,416.04	5,199.63
Contributions to provident and other funds/scheme# [Refer note 37(a) and 37(b)]	438.58	308.54
Staff welfare expenses	511.44	506.30
Total	6,366.06	6,014.47

Other funds/scheme includes contribution towards early retirement scheme and Employee State Insurance scheme

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The draft rules has been released by The Ministry of Labour and Employment on November 13, 2020. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

29. FINANCE COSTS

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest on bank facilities under amortised cost method	2,103.83	2,495.74
Exchange differences regarded as an adjustment to borrowing costs*	14.72	14.29
Interest on lease liabilities [Refer note 35]	291.21	305.59
Others#	88.38	58.50
Total	2,498.14	2,874.12

* Represents exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs.

Others includes net interest expense on defined benefit plans [Refer note 37] etc.

30. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment [Refer note 3]	4,117.04	4,108.14
Amortisation on intangible assets [Refer note 5]	22.53	47.44
Depreciation on right-of-use assets [Refer note 35]	264.12	264.84
Total	4,403.69	4,420.42

Notes to Standalone Financial Statements

for the year ended March 31, 2025

31. OTHER EXPENSES

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores, spares and tools	3,729.86	4,107.95
Machining/subcontracting charges	2,866.57	2,832.24
Power, fuel and water	4,843.29	4,579.44
Less: Credit for energy generated	84.00	77.03
	4,759.29	4,502.41
Repairs and maintenance		
- Building repairs and road maintenance	109.33	122.64
- Plant and machinery	785.06	802.00
Contract labour charges	1,119.26	1,115.99
Rent [Refer note 35]	9.62	12.87
Rates and taxes	84.48	47.94
Insurance	110.68	104.82
CSR expenditure [Refer note 45]	306.00	207.91
Legal and professional fees	1,275.46	1,353.77
Commission	16.25	4.06
Donations#	223.90	4.62
Packing material	1,160.39	1,226.77
Freight forwarding charges	1,351.97	1,256.27
Directors' fees and travelling expenses	9.77	8.63
Commission to directors other than managing and whole time directors	31.00	7.50
Loss on asset sold	0.99	-
Provision for doubtful debts and advances (including expected credit losses)	-	50.00
Exchange difference (net)	202.82	(90.34)
Payment to auditors [Refer note 31(a)]	27.28	29.89
Miscellaneous expenses**	2,935.52	2,885.17
Total	21,115.50	20,593.11

** Miscellaneous expenses includes travelling expenses, printing, stationery, postage, telephone, royalty, warranty etc.

Includes political contributions amounting to ₹ 220 million through an Electoral Trust made under Section 182 of the Companies Act during the year ended March 31, 2025 and Nil for the year March 31, 2024.

(a) Payment to auditors

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
As auditor:		
- Audit fee	13.45	13.45
- Limited review	8.06	8.06
- Others (including certification fees)	4.38	6.87
Reimbursement of expenses	1.39	1.51
	27.28	29.89
Certification fees for QIP related work*	12.60	-
Total	39.88	29.89

*Adjusted through Securities Premium of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

31. OTHER EXPENSES (CONTD.)

(b) Capitalisation of expenditure

The Company has capitalised the following expenses of Property, plant and equipment/capital work in progress(CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest on bank facilities	-	2.48
Salaries, wages and bonus	-	35.37
Consumption of stores and spares and loose tools	-	3.33
Others	-	3.53
Total	-	44.71

32. EXCEPTIONAL ITEMS

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Voluntary retirement scheme compensation (Refer note 32(a))	-	(20.98)
Gain on transfer of Shares of Refu to KPL [(Refer note 32(b))]	135.36	-
Loss on transfer of Shares of Tevva to BFIL UK [(Refer note 32(c))]	(9.18)	-
Provision for impairment in value of investment in subsidiary [Refer note 32(d) and (e)]	(1,456.63)	(133.35)
Provision for impairment in value of investment in other subsidiary [Refer note 32(f)]	(10.10)	-
Provision for impairment in carrying cost of loan given to other subsidiary [Refer note 32(f)]	(192.59)	-
Total	(1,533.14)	(154.33)

(a) During the earlier year, the Company announced Voluntary Retirement Schemes (VRS) on April 28, 2022, and January 13, 2023 for its permanent eligible employees who have attained 40 years of age and have completed 10 years of service with the Company. The scheme announced on January 13, 2023 is extended until June 30, 2025, and the amount of expenditure under these schemes is disclosed as an exceptional item.

(b) REFU Drive GmbH (Refu)

During the current year, the Company has transferred shares of its joint venture REFU Drive GmbH to its subsidiary, Kalyani Powertrain Limited. The Company has recognised a gain on the transfer of this investment.

(c) TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) (Tevva)

During the current year, the company has transferred its investments in TMJ Electric Vehicles Limited to its subsidiary, Bharat Forge International Limited. The Company has recognised a loss on the transfer of this investment.

(d) BF Infrastructure Limited (BFIL)

During the previous year, the Company had made provision for impairment in value of investment of ₹ 133.35 million in investment in equity instruments of BFIL. The provision is recognised as an exceptional item in the statement of profit and loss.

(e) Kalyani Powertrain Limited (KPL)

During the current year, the company has made provision for impairment in value of investment of ₹ 1,456.63 million in investment in equity instruments of KPL.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

32. EXCEPTIONAL ITEMS (CONTD.)

(f) BF Elbit Advanced Systems Private Limited

During the current year, the company has made provision for impairment in carrying cost of loan given to the BF Elbit Advanced Systems Private Limited of ₹ 192.59 million and provision for impairment in value of investment of ₹ 10.10 million in investment in equity instruments of BF Elbit.

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below:

During the year ended March 31, 2025

Particulars	In ₹ Million				
	Cash flow hedge reserve	FVTOCI reserve	Retained earnings	Income tax/ Deferred tax effect	Total
Currency forward contracts	80.65	-	-	(20.30)	60.35
Reclassified to statement of (profit) or loss	(1,130.68)	-	-	284.57	(846.11)
Effect of deferred tax of hedge reserve	-	-	-	-	-
Gain/(loss) on FVTOCI financial assets	-	(316.91)	-	(8.64)	(325.55)
Re-measurement gains/(losses) on defined benefit plans	-	-	(176.54)	44.43	(132.11)
Total	(1,050.03)	(316.91)	(176.54)	300.06	(1,243.42)

During the year ended March 31, 2024

Particulars	In ₹ Million				
	Cash flow hedge reserve	FVTOCI reserve	Retained earnings	Income tax/ Deferred tax effect	Total
Currency forward contracts	1,360.82	-	-	(342.49)	1,018.33
Reclassified to statement of (profit) or loss	(1,224.03)	-	-	308.06	(915.97)
Gain/(loss) on FVTOCI financial assets	-	(2,055.12)	-	218.35	(1,836.77)
Re-measurement gains/(losses) on defined benefit plans	-	-	(137.13)	34.51	(102.62)
Total	136.79	(2,055.12)	(137.13)	218.43	(1,837.03)

34. EARNINGS PER EQUITY SHARE (EPS)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Numerator for basic and diluted EPS		
Net profit after tax attributable to shareholders (in ₹ million) (A)	13,222.51	14,249.57
Denominator for basic EPS		
Weighted average number of equity shares for basic EPS [Refer note 15(c)] (B)	469,458,495	465,588,632
Denominator for diluted EPS		
Weighted average number of equity shares for diluted EPS [Refer note 15(c)] (C)	469,458,495	465,588,632
Basic earnings per share of face value of ₹ 2/- each (in ₹) (A/B)	28.16	30.60
Diluted earnings per share of face value of ₹ 2/- each (in ₹) (A/C)	28.16	30.60

Notes to Standalone Financial Statements

for the year ended March 31, 2025

35. LEASES

(a) Company as lessee

The Company has lease contracts for solar plants and various items of building and leasehold land, etc. used in its operations. These leases generally have lease terms between 2 and 18 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further mentioned below:

The Company also has certain leases of various assets with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	In ₹ Million			
	Leasehold land	Plant & Machinery	Buildings	Total
As at March 31, 2023	64.49	2,923.02	340.84	3,328.35
Additions	-	-	0.60	0.60
Disposals	(0.02)	-	-	(0.02)
Depreciation	(0.79)	(223.80)	(40.25)	(264.84)
As at March 31, 2024	63.68	2,699.22	301.19	3,064.09
Additions	-	-	0.61	0.61
Disposals	-	-	-	-
Depreciation	(0.79)	(223.19)	(40.14)	(264.12)
As at March 31, 2025	62.89	2,476.03	261.66	2,800.58

Below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	3,309.47	3,460.48
Additions	0.61	0.60
Disposals	-	-
Accretion of Interest	291.21	305.59
Payments	(461.46)	(457.20)
Closing Balance	3,139.83	3,309.47
Current	188.38	169.91
Non Current	2,951.44	3,139.56

The maturity analysis of lease liabilities is disclosed in Note 53.

The effective interest rate for lease liabilities is between 7.56% p.a. and 9.35% p.a. (March 31, 2024: 8.40% to 9.35% p.a.)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

35. LEASES (CONTD.)

(a) Company as lessee (contd.)

The following are the amounts recognised in statement of profit and loss:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expense of right-of-use assets	264.12	264.84
Interest expense on lease liabilities	291.21	305.59
Expense relating to short-term leases and low value leases (included in other expenses)	9.62	12.87
Total amount recognised in profit or loss	564.95	583.30

The Company had total cash outflows for leases of ₹ 461.46 million (March 31, 2024: ₹ 457.20 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 0.60 million (March 31, 2024: ₹ 0.60 million) respectively.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. The Management exercises judgement in determining whether the extension and termination options are reasonably certain to be exercised. Refer note 52.

(b) Company as lessor

The Company has entered into agreements/arrangement in the nature of lease/sub-lease agreement with different lessees for the purpose of plant and machinery, land and building. These are generally in the nature of operating lease. Period of agreements/arrangement are generally from three years to twenty five years and cancellable with a notice of thirty days to six months and renewal being the option of the lessee/lessor.

Future minimum rentals receivable under operating leases are as follows:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Within one year	146.73	85.12
After one year but not more than five years	237.92	275.95
More than five years	77.93	60.28
Total	462.58	421.35

36. SEGMENT INFORMATION

In accordance with paragraph 4 of notified Ind AS 108 "Operating segments", the Company has disclosed segment information only on the basis of the consolidated financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) **Gratuity plan**
Funded scheme

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the employee's length of service and salary at retirement age. An employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. In case of certain category of employees who have completed 10 years of service, gratuity is calculated based on 30 days salary (last drawn) for each completed year of service and cap for gratuity is 20 years. The scheme is funded with insurance companies in the form of qualifying insurance policies. During the year, the Company amended its Gratuity plan to enhance the benefits provided to certain category of employees. As a result of this amendment, the Company recognised a past service cost. This cost represents the present value of the additional benefits granted for service in prior periods.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as the Company takes on uncertain long-term obligations to make future benefit payments.

1) **Liability risks**

- a) **Asset-liability mismatch risk**
Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.
- b) **Discount rate risk**
Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.
- c) **Future salary escalation and inflation risk**
Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities, especially unexpected salary increases provided at the Management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Asset risks**

All plan assets are managed by the Trust and are invested in various funds (majorly LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds and this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are taken care of.

The following table summarises the components of the net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plans.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) **Gratuity plan (contd.)**

The principal assumptions used in determining gratuity for the Company's plan are shown below:

Particulars	As at March 31, 2025	As at March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.20%
Expected rate of return on plan assets	7.20%	7.50%
Rate of increase in compensation levels		
Executive Directors	10.00%	7.00%
Others	7.00%	7.00%
Expected average remaining working lives (in years)*	10.46*	10.79*
Withdrawal rate (based on grade and age of employees)		
Age up to 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the period	1,451.63	1,314.51
Interest expense	101.70	93.90
Past service cost	104.71	-
Current service cost	97.29	82.11
Benefits paid	(78.29)	(125.14)
Remeasurements on obligation [actuarial (gain)/loss]	71.11	86.25
Closing defined benefit obligation	1,748.15	1,451.63

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	1,204.70	1,136.07
Interest income	88.56	85.11
Contributions	129.01	122.50
Benefits paid	(78.29)	(125.13)
Remeasurements- Return on plan assets, excluding amount included in Interest Income	(5.53)	(13.85)
Closing fair value of plan assets	1,338.45	1,204.70

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

Net interest expense/(income)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Interest expense on defined benefit obligation	101.70	93.90
Interest (income) on plan assets	(88.56)	(85.11)
Net interest expense for the period	13.14	8.79

Remeasurements for the period [actuarial (gain)/loss]

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Experience (gain)/loss on plan liabilities	(16.16)	53.94
Financial (gain)/loss on plan liabilities	87.27	32.30
Experience (gain)/loss on plan assets	1.84	17.25
Financial (gain)/loss on plan assets	3.69	(3.40)

Amount recognised in statement of other comprehensive income (OCI)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Remeasurement (gain)/loss for the period on defined benefit obligation		
(Gain)/loss on plan liabilities due to experience assumptions	(16.16)	53.94
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	87.27	32.30
Remeasurement (gain)/loss for the period on plan asset		
(Gain)/loss on plan assets due to experience assumptions	1.84	17.25
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	3.69	(3.40)
Total remeasurement cost for the period recognised in OCI	76.64	100.09

The amounts to be recognised in the balance sheet

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation	(1,748.15)	(1,451.63)
Fair value of plan assets	1,338.45	1,204.70
Net asset/(liability) to be recognised in the balance sheet	(409.70)	(246.93)

Expense recognised in the statement of profit and loss

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost (refer note 28)	97.29	82.11
Past service cost (refer note 28)	104.71	-
Net interest expense (refer note 29)	13.14	8.79
Net periodic benefit cost recognised in the statement of profit and loss	215.14	90.90

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

Reconciliation of net asset/(liability) recognised:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Net asset/(liability) recognised at the beginning of the period	(246.93)	(178.44)
Company's contributions	129.01	122.50
Expense recognised for the year	(215.14)	(90.90)
Amount recognised in OCI	(76.64)	(100.09)
Net asset/(liability) recognised at the end of the period	(409.70)	(246.93)

The Company expects to contribute ₹ 130.00 million to gratuity fund in the next year (March 31, 2024: ₹ 120.00 million)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at	
	March 31, 2025	March 31, 2024
Funds managed by insurer	100.00%	100.00%

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligations

Discount rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	1,900.25	1,575.35
Increase by 1%	1,616.65	1,346.39

B) Impact of change in rate of increase in compensation levels on defined benefit obligation

Rate of increase in compensation levels	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	1,631.00	1,356.87
Increase by 1%	1,880.72	1,560.75

C) Impact of change in withdrawal rate when base assumption is decreased/increased on defined benefit obligation

Withdrawal rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	1,761.06	1,458.63
Increase by 1%	1,738.54	1,448.60

The estimates of future compensation level increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(a) Gratuity plan (contd.)

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Within one year	163.28	210.48
After one year but not more than five years	735.13	474.27
After five years but not more than ten years	813.81	739.13

The Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.78 years (March 31, 2024: 10.49 years).

(b) Special gratuity

The Company has a defined benefit special gratuity plan. Under the gratuity plan, every eligible employee who has completed ten years of service gets an additional gratuity on departure which will be salary of specified months based on the last drawn basic salary. The scheme is unfunded.

1) Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities, especially unexpected salary increases provided at the Management's discretion may lead to uncertainties in estimating this increasing risk.

2) Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Company's financial statements and also benefit risk through return on the funds made available for the plan.

The principal assumptions used in determining special gratuity for the Company's plan are shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.20%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)*	11.15*	11.49*
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	5.00%	5.00%
Age 31 - 44 years	5.00%	5.00%
Age 45 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (contd.)

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the period	198.34	167.52
Interest expense	14.24	12.10
Current service cost	-	0.12
Benefits paid	(1.03)	(12.44)
Remeasurements on obligation [actuarial (gain)/loss]	(0.49)	31.04
Closing defined benefit obligation	211.06	198.34

Net Interest Expense/(Income)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on defined benefit obligation	14.24	12.10
Net interest expense for the period	14.24	12.10

Remeasurements for the period

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Experience (gain)/loss on plan liabilities	(9.14)	24.82
Demographic loss on plan liabilities	-	-
Financial (gain)/loss on plan liabilities	8.65	6.22

Amount recognised in statement of other comprehensive Income (OCI)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement for the period-obligation (gain)/loss		
(Gain)/loss on plan liabilities due to experience assumptions	(9.14)	24.82
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	8.65	6.22
Remeasurement for the period-Plan assets (gain)/loss		
(Gain)/loss on plan assets due to experience assumptions	-	-
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	-	-
Total remeasurement (gain)/loss for the period recognised in OCI	(0.49)	31.04

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (contd.)

The amounts to be recognised in the balance sheet

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the end of the period	(211.06)	(198.34)
Fair value of plan assets as at the end of the period	-	-
Net asset/(liability) to be recognised in the balance sheet	(211.06)	(198.34)

Expense recognised in the statement of profit and loss

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost (Refer note 28)	-	0.12
Past service cost	-	-
Net interest expense (Refer note 29)	14.24	12.10
Net periodic benefit cost recognised in the statement of profit and loss	14.24	12.22

Reconciliation of net asset/(liability) recognised:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Net asset/(liability) recognised at the beginning of the period	(198.34)	(167.52)
Company's contributions	-	-
Benefits directly paid by Company	1.03	12.44
Expense recognised for the year	(14.24)	(12.22)
Amount recognised in OCI	0.49	(31.04)
Net asset/(liability) recognised at the end of the period	(211.06)	(198.34)

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Within one year	12.79	11.70
After one year but not more than five years	63.51	60.58
After five years but not more than ten years	110.61	107.43

The Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 12.46 years (March 31, 2024: 12.68 years)

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligation

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	235.14	221.32
Increase by 1%	190.36	178.68

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(b) Special gratuity (contd.)

B) Impact of change in rate of increase in compensation levels on defined benefit obligation

Rate of increase in compensation levels	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	192.01	180.15
Increase by 1%	232.68	219.02

C) Impact of change in withdrawal rate when base assumption is decreased/increased on defined benefit obligation

Withdrawal rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	211.40	197.99
Increase by 1%	210.74	198.65

C. Provident Fund

In accordance with the law, all employees of the Company are entitled to receive benefits under the provident fund. The Company operates two plans for its employees to provide employee benefits in the nature of provident fund, viz. defined contribution plan and defined benefit plan.

Under the defined contribution plan, provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund (Refer to note 28).

Under the defined benefit plan, the Company contributes to the "Bharat Forge Company Limited Staff Provident Fund Trust". The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The details of the defined benefit plan based on actuarial valuation report are as follows:

1) Liability risks:

- a) **Asset-liability mismatch risk**
Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.
- b) **Discount rate risk**
Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.
- c) **Future salary escalation and inflation risk**
Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities, especially unexpected salary increases provided at The Management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks:

All plan assets are managed by the Trust and funds are invested in various securities as per the pattern prescribed by the Government. The Company has no control over the management of funds and this option provides a high level of safety for the total corpus.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

C. Provident Fund (contd.)

The principal assumptions used in determining provident fund liability/shortfall for the Company's plan is shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.90%	7.20%
Interest rate declared by Employees' Provident Fund Organisation for the year	8.25%	8.25%
Yield spread	0.50%	0.50%
Expected rate of return on plan assets	7.20%	7.50%
Expected average remaining working lives of employees (in years)	10.52*	10.89*
Withdrawal rate		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

Table showing changes in present value of defined benefit obligations:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation at the beginning of the period	4,269.68	3,813.10
Interest cost	292.46	274.08
Current service cost	149.84	137.06
Employee contribution	201.77	194.55
Benefits paid	(415.46)	(317.48)
Remeasurements on obligation [actuarial (gain)/loss]	169.37	168.37
Present value of defined benefit obligation as at the end of the period	4,667.66	4,269.68

Table showing changes in fair value of plan assets (surplus account)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets as at the beginning of the period (surplus account)	4,269.38	3,809.32
Interest income	304.80	286.13
Employer's contribution	141.62	134.48
Employee contribution	201.77	194.55
Benefits paid	(415.46)	(317.48)
Remeasurement- return on plan assets excluding amount included in interest income	93.75	162.38
Fair value of plan assets as at the end of the period (surplus account)	4,595.86	4,269.38

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

C. Provident Fund (contd.)

Net interest expense/(income)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on defined benefit obligation	292.46	274.08
Interest (income) on plan assets	304.80	286.13
Net Interest Expense/(Income) for the period	(12.34)	(12.05)

The amounts to be recognised in the balance sheet:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Present value of Provident fund liability as at end of the period	4,667.66	4,269.68
Fair value of the plan assets as at the end of the period (surplus account)	4,595.86	4,269.38
(Deficit)	(71.80)	(0.30)
Net (liability) recognised in the balance sheet	(71.80)	(0.30)

Amount recognised in statement of other comprehensive income (OCI):

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Remeasurement (gain)/loss for the period on defined benefit obligation	169.37	168.37
Remeasurement (gain)/loss fo the period on plan assets	(93.75)	(162.38)
Total remeasurement (gain)/loss for the period recognised in OCI	75.62	5.99

Expense recognised in the statement of profit and loss:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost (refer note 28)	149.84	137.06
Net interest expense (refer note 29)	(12.34)	(12.05)
Net periodic benefit cost recognised in the statement of profit and loss	137.50	125.01

Sensitivity analysis

A) Impact of change on discount rate when base assumption is decreased/increased by 50 basis point - present value of obligation

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 0.50%	4,755.47	4,344.43
Increase by 0.50%	4,584.75	4,199.07

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

C. Provident Fund (contd.)

B) Impact of change on the expected future interest rate on PF when base assumption is decreased/increased by 50 basis point - - present value of obligation

PF interest rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 0.50%	4,586.54	4,199.18
Increase by 0.50%	4,748.78	4,340.16

(d) Pension and other obligation

The Company has a defined benefit pension and medical reimbursement plan for certain key managerial personnel and ex-employees as approved by the remuneration committee. The plan provides a lifetime monthly pension payments to such employees as stipulated in the policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the provision as on the reporting date.

1) Liability risks

a) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

b) Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Company's financial statements and also benefit risk through return on the funds made available for the plan.

The principal assumptions used in determining pension for the Company's plan is shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.20%
Rate of increase in compensation levels	10.00%	7.00%
Rate of increase in pension	5.50%	5.50%
Medical inflation rate	14.00%	14.00%
Expected average remaining working lives (in years)*	12.92*	13.71*

* It is actuarially calculated term of the liability using probabilities of death withdrawal and retirement.

The following table states the net (asset)/liability as at year end:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current pension and medical reimbursement obligation expected to be settled in next 12 months	12.53	12.53
Pension and medical reimbursement obligation expected to be settled beyond 12 months	360.04	223.98
	372.57	236.51

Notes to Standalone Financial Statements

for the year ended March 31, 2025

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligations

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	404.92	258.45
Increase by 1%	343.89	238.88

B) Impact of change in pension increment rate and salary increment rate when base assumption is decreased/increased on defined benefit obligations

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	357.59	217.68
Increase by 1%	388.80	257.38

38. CONTINGENT LIABILITIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Guarantees given by the Company's Bankers on behalf of the Company, against the sanctioned guarantee limit of ₹ 7,250 million (March 31, 2024: ₹ 7,250 million) for contracts undertaken by the Company and are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares, book debts, etc.	4,012.92	3,818.07
Claim against the Company not acknowledged as Debts- to the extent ascertained [(Refer note 38(a))]	645.07	548.03
Excise/Service tax demands - matters under dispute* [(Refer note 38(b))]	295.10	129.66
Customs demands - matters under dispute* [(Refer note 38(c))]	43.29	64.74
Income tax demands - matter under dispute [(Refer note 38(d))]	60.07	54.92

* includes interest calcuted till reporting date and penalty

- (a) The Company is contesting the demands raised pertaining to property tax.
- (b) Includes amount pertaining to incentive received under Government schemes, etc.
- (c) Includes amount pertaining to classification differences of products, etc.
- (d) Includes amount pertaining to matter relating to applicability of TDS

The Company is contesting the demands and the Management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No provision has been recognised in the financial statements for the tax demand raised. The management based on its internal assessment and advice by its legal counsel believes that it is only possible/ remote, but not probable, that the action will succeed.

Note: In cases where the amounts have been accrued, it has not been included above.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Related parties where control exists	
Subsidiaries	Bharat Forge Global Holding GmbH
	Bharat Forge America Inc.
	BF Infrastructure Limited
	Kalyani Strategic Systems Limited
	Bharat Forge International Limited
	BF Elbit Advanced Systems Private Limited
	Indigenous IL Limited
	Kalyani Centre for Precision Technology Limited
	Eternus Performance Materials Private Limited
	Kalyani Powertrain Limited
	BF Industrial Solutions Limited
	Kalyani Lightweighting Technology Solutions Limited
	Bharat Forge CDP GmbH
	Bharat Forge Holding GmbH
Step down subsidiaries	Bharat Forge Tennessee Inc.
	Bharat Forge PMT Technologie LLC
	Bharat Forge Aluminiumtechnik GmbH
	Bharat Forge Kilsta AB
	Bharat Forge Daun GmbH
	Kalyani Rafael Advanced Systems Private Limited
	Mecanique Generale Langroise
	Bharat Forge Aluminium USA, Inc.
	Kalyani Mobility INC.
	BFIL-CEC JV
	Kalyani Strategic Systems Australia Pty Limited
	Sagar-Manas Technologies Limited
	Ferrovia Transrail Solutions Private Limited
	J S Auto Cast Foundry India Private Limited
	Electroforge Limited
	Lycan Electric Private Limited
	BF Industrial Technology & Solutions Limited
	Zorya Mashproekt India Private Limited (w.e.f. January 24, 2024)
	Sanghvi Europe B.V.
	Tork Motors Private Limited
Related parties with whom transactions have taken place during the period	
Joint ventures	BF NTPC Energy Systems Limited (under liquidation)
	REFU Drive GmbH (up to August 22, 2024)
Joint venture of a subsidiary	BF Premier Energy Systems Private Limited (struck off w.e.f. November 25, 2023)
	REFU Drive GmbH w.e.f August 22, 2024)

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Subsidiary of a Joint venture	Refu Drive India Private Limited (up to August 22, 2024)
Associates and subsidiaries/associates of associates	Avaada MHVidarbha Private Limited
	Aeron Systems Private Limited
Related parties with whom transactions have taken place during the period	
Other related parties (Enterprises owned or significantly influenced by key management personnel or their relatives)	Kalyani Steels Limited
	BF Utilities Limited
	Khed Economic Infrastructure Private Limited
	Kalyani Maxon Wheels Private Limited
	Automotive Axles Limited
	Kalyani Cleantech Private Limited (up to June 07, 2023)
	United Metachem Private Limited (up to September 03, 2024)
	Harmony Electoral Trust
	Saarloha Advanced Materials Private Limited
	Nandi Economic Corridor Enterprises Limited
	Baramati Speciality Steels Limited
	Kalyani Technoforge Limited
	Kalyani Transmission Technologies Private Limited
	KGEPL Engineering Solutions Private Limited
	Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)
	Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)
	KTMS Properties Company Private Limited
	KTMS Design and Engineering Private Limited (formerly known as Kalyani Global Engineering Private Limited)
	KSMS Technologies Solutions Private Limited
	Inmet Technology Solutions Private Limited
	Govalkonda Trading Company Private Limited
	Synise Technologies Limited
	Peach Blossom Investment Private Limited
	Purandhar Trading Company Private Limited
	Meritor HVS (India) Limited
	Raigad Trading Company Private Limited
	Vishalgad Trading Company Private Limited
	Institute for Prostate Cancer
	Radium Merchandise Private Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Key management personnel	Mr. B. N. Kalyani (Chairman and Managing Director)
	Mr. A. B. Kalyani (Vice Chairman and Joint Managing Director)
	Mr. G. K. Agarwal (Executive Director and Deputy Managing Director) (upto March 31, 2024)
	Mr. B. P. Kalyani (Executive Director)
	Mr. S. E. Tandale (Executive Director)
	Mr. K. M. Saletore (Executive Director & CFO) (upto June 30, 2023)
	Mr. K. P. Dixit (CFO) (w.e.f July 01, 2023)
	Mr. A. B. Ram (Non Executive Director) (w.e.f September 01, 2023)
	Ms. T. R. Chaudhari (Company secretary)
	Mr. P. G. Pawar (Independent Director) (upto September 03, 2024)
	Mrs. L. D. Gupte (Independent Director) (upto September 03, 2024)
	Mr. P. H. Ravikumar (Independent Director) (upto September 03, 2024)
	Mr. V. R. Bhandari (Independent Director) (upto September 03, 2024)
	Mr. Dipak Mane (Independent Director)
	Mr. Murali Sivaraman (Independent Director) (upto June 20, 2024)
	Mr. Kanwar Bir Singh Anand (Independent Director) (w.e.f June 27, 2022)
	Mrs. Sonia Singh (Independent Director) (w.e.f June 27, 2022)
	Mr. Anand S. Pathak (Independent Director) w.e.f July 12, 2024)
	Mr. Ravi Kapoor (Independent Director) w.e.f December 30, 2024)
	Ms. Rashmi Joshi (Independent Director) w.e.f December 30, 2024)
Relatives of key management personnel	Mr. G. N. Kalyani
	Mrs. R. G. Kalyani
	Ms. S. G. Kalyani
	Mr. V. G. Kalyani
	Mrs. V. E. Tandale
	Mrs. A. P. Kore
	Mrs. Deeksha Amit Kalyani

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Post employment benefit Trusts	Bharat Forge Company Limited Staff Provident Fund
	Bharat Forge Company Limited Employees Group Gratuity Fund
	Bharat Forge Company Limited Officer's Group Gratuity Fund
	Bharat Forge Company Limited Officer's Superannuation Scheme

Transactions and balances less than 10% of the total transactions and balances are disclosed as "Others".

(ii) Related party transactions

				In ₹ Million
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
1	Purchase of raw materials, components, stores, spares	Subsidiaries		
		Kalyani Powertrain Limited	9.25	0.30
		Kalyani Strategic Systems Limited	11.06	13.61
		Others	-	0.29
			20.31	14.20
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	31.64	52.86
		J S Auto Cast Foundry India Private Limited	156.52	3.79
		Others	3.62	0.67
			191.78	57.32
		Associate		
		Aeron Systems Private Limited	27.23	74.19
			27.23	74.19
		Other related parties		
		Kalyani Steels Limited	5,166.12	5,041.26
		Kalyani Technoforge Limited	734.15	540.66
		Saarloha Advanced Materials Private Limited	13,456.62	14,070.24
		Kalyani Transmission Technologies Private Limited	32.22	49.45
		Others	36.09	37.90
			19,425.20	19,739.51
			19,664.52	19,885.22

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
2	Other expenses			
	- Machining/subcontracting charges	Subsidiaries		
		Kalyani Centre for Precision Technology Limited	575.23	568.41
		Bharat Forge International Limited	61.90	-
		Others	0.91	1.65
			638.04	570.06
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	36.60	19.08
			36.60	19.08
		Other related parties		
		Kalyani Technoforge Limited	49.49	98.01
		Synise Technologies Limited	27.53	31.42
		KTMS Design and Engineering Private Limited	83.13	82.25
		Kalyani Transmission Technologies Private Limited	8.86	4.47
		Saarloha Advanced Materials Private Limited	1.31	-
		Others	2.67	3.56
			172.99	219.71
			847.63	808.85
	- Power, fuel and water	Associates and subsidiaries of associates		
		Avaada MHVidarbha Private Limited	170.45	169.35
		Other related parties		
		BF Utilities Limited	49.92	57.01
			220.37	226.36
	- Rent*	Subsidiaries		
		Kalyani Centre for Precision Technology Limited	0.09	0.04
			0.09	0.04
		Other related parties		
		United Metachem Private Limited (upto September 02, 2024)	4.97	11.01
		KTMS Properties Company Private Limited	22.64	20.58
		Others	4.46	4.54
			32.07	36.13
			32.16	36.17

* The lease arrangements which have been considered for Ind AS 116 disclosures in note no. 35 and taken to right-of-use assets have been considered in rent expenses for disclosing actual transactions with related parties.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
	- Legal and professional fees	Subsidiaries		
		Bharat Forge Global Holding GmbH	90.29	81.74
		Bharat Forge America Inc.	148.25	117.82
		Others	2.14	2.55
			240.68	202.11
		Step down subsidiaries		
		Bharat Forge Kilsta AB	3.33	1.33
		Tork Motors Private Limited	-	0.59
		Bharat Forge Aluminiumtechnik GmbH	43.01	17.90
		Zorya Mashproekt India Private Limited	6.49	-
		Bharat Forge CDP GmbH	48.36	-
			101.19	19.82
		Other related parties		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	200.00	222.41
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	137.34	124.54
		Peach Blossom Investment Private Limited	17.56	1.21
		Others	2.60	2.85
			357.50	351.01
			699.37	572.94
	- Directors' fees and travelling expenses	Key management personnel		
		Mr. P. G. Pawar	1.07	1.45
		Mrs. L. D. Gupte	0.62	0.73
		Mr. P. H. Ravikumar	0.79	1.19
		Mr. A. B. Ram	0.92	0.22
		Mr. V. R. Bhandari	1.09	1.50
		Mr. Dipak Mane	1.45	1.39
		Mr. Murali Sivaraman	0.27	0.88
		Mr. Kanwar Bir Singh Anand	1.21	0.59
		Mrs. Sonia Singh	1.11	0.68
		Mr. Anand Pathak	0.63	-
		Mr. Ravi Kapoor	0.34	-
		Ms. Rashmi Joshi	0.27	-
			9.77	8.63

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
-	Commission to directors other than managing directors	Key management personnel		
		Mr. P. G. Pawar	4.00	1.55
		Mrs. L. D. Gupte	1.80	0.56
		Mr. P. H. Ravikumar	2.40	1.13
		Mr. V. R. Bhandari	3.80	1.50
		Mr. D B Mane	3.40	0.88
		Mr. Murali Sivaraman	1.00	0.75
		Mr. Kanwar Bir Singh Anand	4.00	0.38
		Mrs. Sonia Singh	3.60	0.50
		Mr. A. B. Ram	3.40	0.25
		Mr. Anand Pathak	1.80	-
		Mr. Ravi Kapoor	1.00	-
		Mrs. Rashmi Joshi	0.80	-
			31.00	7.50
-	Miscellaneous expenses	Other related parties		
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	186.23	176.27
			186.23	176.27
-	Reimbursement of expenses received	Subsidiaries		
		Bharat Forge International Limited	39.81	100.43
		Kalyani Centre For Precision Technology Limited	28.47	25.47
		Kalyani Strategic Systems Limited	71.21	44.31
		Others	28.45	1.41
			167.94	171.62
		Step down subsidiaries		
		Bharat Forge PMT Technologie LLC	4.07	1.92
		Bharat Forge Aluminiumtechnik GmbH	7.54	67.89
		J S Auto Cast Foundry India Private Limited	0.15	-
			11.76	69.81
		Other related parties		
		Kalyani Technoforge Limited	57.92	-
		Saarloha Advanced Materials Private Limited	210.34	-
		Kalyani Steels Limited	55.42	-
		Others	1.09	4.51
			324.77	4.51
			504.47	245.94

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
	- Reimbursement of expenses paid	Subsidiaries		
		Kalyani Powertrain Limited	1.65	-
		Bharat Forge International Limited	145.07	-
		Kalyani Strategic Systems Limited	19.38	-
			166.10	-
		Step down subsidiaries		
		Bharat Forge Aluminium USA, Inc	4.75	-
			4.75	-
		Step down subsidiaries		
		Kalyani Rafael Advance Systems Private Limited	2.48	-
		2.48	-	
		173.33	-	
	- Repairs and maintenance	Other related parties		
		KTMS Properties Company Private Limited	16.96	15.19
			16.96	15.19
	16.96	15.19		
- Recovery of freight	Subsidiaries			
	Bharat Forge International Limited	130.57	573.21	
		130.57	573.21	
		2,851.86	2,671.06	
3	Sale of goods, manufacturing scrap and (net of returns, rebate etc.)	Subsidiaries		
		Bharat Forge International Limited	29,048.62	29,132.84
		Kalyani Strategic Systems Limited	10,167.68	9,716.09
		Kalyani Powertrain Limited	8.24	29.08
			39,224.54	38,878.01
		Step down Subsidiaries		
		Bharat Forge PMT Technologie LLC	385.20	0.26
		Bharat Forge Aluminium USA, Inc	112.18	4.03
		Others	58.04	23.25
			555.42	27.54
		Other related parties		
		Automotive Axles Limited	131.05	202.81
		Saarloha Advanced Materials Private Limited	2,916.15	2,992.73
		Others	39.40	58.31
			3,086.60	3,253.85
	42,866.56	42,159.40		

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
4	Sale of Services	Subsidiaries		
		Kalyani Strategic Systems Limited	-	5.01
			-	5.01
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	17.33	10.70
			17.33	10.70
		Other related parties		
		Automotive Axles Limited	182.76	207.84
		Saarloha Advanced Materials Private Limited	88.47	88.22
		Others	3.51	1.34
			274.74	297.40
			292.07	313.11
5	Sale of stores, spares and raw materials	Subsidiaries		
		Kalyani Centre for Precision Technology Limited	37.69	6.10
			37.69	6.10
6	Sale of Investment	Subsidiaries		
		Kalyani Powertrain Limited	919.14	-
		Bharat Forge International Limited	9.71	-
			928.85	-
7	Other income - Rent			
		Subsidiaries		
		Kalyani Centre for Precision Technology Limited	34.77	34.77
		Kalyani Powertrain Limited	24.15	27.20
		Others	2.17	1.10
			61.09	63.07
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	5.71	-
			5.71	-
		Other related parties		
		Kalyani Technoforge Limited	20.07	20.07
		Kalyani Maxion Wheels Private Limited	57.97	0.05
		Others	9.25	16.03
			87.29	36.15
			154.09	99.22

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
	- Miscellaneous income	Subsidiaries		
		Bharat Forge America Inc.	6.39	37.72
		Bharat Forge Global Holding GmbH	-	0.29
		Kalyani Strategic Systems Limited	1.67	-
			8.06	38.01
		Step down subsidiaries		
		Bharat Forge Aluminium USA, Inc.	38.24	2.51
		Others	-	0.03
			38.24	2.54
			46.30	40.55
			200.39	139.77
8	Purchase of property, plant and equipment, intangible assets (including CWIP)	Subsidiaries		
		Kalyani Centre For Precision Technology Limited	4.98	-
			4.98	-
		Other related parties		
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	-	57.56
		Others	-	0.35
			-	57.91
			4.98	57.91
9	Finance provided: - Investment			
		Subsidiaries		
		Bharat Forge America Inc.*	9,859.14	1,248.30
		Kalyani Powertrain Limited**	3,779.49	2,612.85
		BF Industrial Solutions Limited	180.00	622.50
		Bharat Forge Global Holding GmbH#	3,546.71	3,157.45
			17,365.34	7,641.10
		Other related parties\$		
		TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited)	-	2,794.23
		Khed Economic Infrastructure Private Limited	9.98	72.94
			9.98	2,867.17
			17,375.32	10,508.27
		- Loans given		
		Subsidiaries		
		Bharat Forge America Inc.	1,039.32	999.12
		Others	-	25.80
			1,039.32	1,024.92
			1,039.32	1,024.92
			18,414.64	11,533.19

* Includes loan given of ₹ 1,000.80 million as on March 31, 2025 which is converted into investment

** Includes loan given of ₹ 1,050 million as on March 31, 2024 which is converted into investment

Includes loan given of ₹ 89.86 million as on March 31, 2025 which is converted into investment

\$ Includes fair valuation impact

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
10	Recovery of loans given	Subsidiaries		
		BF Infrastructure Limited	-	25.80
			-	25.80
11	Security deposit received	Subsidiaries		
		Kalyani Powertrain Limited	-	6.11
			-	6.11
		Other related parties		
		Kalyani Maxion Wheels Private Limited	100.00	-
			100.00	6.11
12	Advance given	Subsidiaries		
		Kalyani Powertrain Limited	-	220.08
			-	220.08
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	2.19	-
			2.19	-
			2.19	220.08
13	Advance given recovered	Subsidiaries		
		Kalyani Powertrain Limited	-	220.08
		Other related parties		
		Saarloha Advanced Materials Private Limited	-	1,350.00
		Khed Economic Infrastructure Private Limited	665.95	770.82
			665.95	2,340.90
14	Capital advance given	Other related parties		
		KTMS Design and Engineering Private Limited	34.61	23.78
		Others	-	21.48
			34.61	45.26
15	Interest income	Subsidiaries		
		Bharat Forge America Inc.	74.89	12.86
		Kalyani Powertrain Limited	-	36.04
		BF Elbit Advanced Systems Private Limited	18.15	16.38
		Others	2.99	4.99
			96.03	70.27
		Step down subsidiaries		
		J S Auto Cast Foundry India Private Limited	9.79	9.82
			9.79	9.82

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
15	Interest income (contd.)	Other related parties		
		Kalyani Steels Limited	4.57	13.38
		Saarloha Advanced Materials Private Limited	-	42.43
			4.57	55.81
			110.39	135.90
16	Managerial remuneration@@	Key management personnel		
		Mr. B. N. Kalyani\$	389.17	327.98
		Mr. A. B. Kalyani	99.02	71.74
		Mr. G. K. Agarwal\$\$	-	204.07
		Mr. S. E. Tandale	60.60	55.22
		Mr. B. P. Kalyani	54.79	49.05
		Mr. K. M. Saletore (upto June 30, 2023)	-	11.42
		Mr. K. P. Dixit (w.e.f July 01, 2023)	17.29	9.69
		Ms. T. R. Chaudhari	5.07	4.69
			625.94	733.86
17	Dividend paid	Key management personnel		
		Mr. B. N. Kalyani	0.70	0.63
		Mr. A. B. Kalyani	6.30	5.60
		Mr. G. K. Agarwal	-	0.04
		Mr. B. P. Kalyani	0.06	0.05
		Mr. P. H. Ravikumar	-	0.05
		Mr. Subodh Tandale#	0.00	-
		Mr. K. M. Saletore	-	0.01
			7.06	6.38
		Relatives of key management personnel		
		Mr. G. N. Kalyani	6.21	5.52
		Ms. Sheetal Gaurishankar Kalyani	0.21	0.18
		Mrs. Rohini Gaurishankar Kalyani	0.91	0.81
		Mr. Viraj Gaurishankar Kalyani	0.21	0.18
		Others	0.10	0.11
			7.64	6.80
			14.70	13.18
18	Provision for impairment in value of investment	Subsidiaries		
		BF Infrastructure Limited	-	133.36
		Kalyani Powertrain Limited	1,456.63	-
		BF Elbit Advanced Systems Private Limited	10.10	-
			1,466.73	133.36
19	Provision for impairment in value of loan	Subsidiaries		
		BF Elbit Advanced Systems Private Limited	192.59	-
			192.59	-

@@ Does not include provision for gratuity, leave encashment since the same is considered for all employees of the Company as a whole, but includes specific provision for pension and medical.
Amounts disclosed as zero are below the million rounding off.
\$ includes post retirement benefits of ₹ 132.14 million (March 31, 2024: ₹ 87.42 million).
\$\$ includes post retirement benefits of Nil (March 31, 2024: ₹ 149.08 million).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(ii) Related party transactions (contd.)

In ₹ Million				
Sr. No.	Nature of transaction	Name of the related parties and nature of relationships	Year ended March 31, 2025	Year ended March 31, 2024
20	Contributions paid*	Post employment benefit Trust		
		Provident fund		
		Bharat Forge Company Limited Staff Provident Fund	345.68	329.03
			345.68	329.03
		Gratuity fund		
		Bharat Forge Company Limited Employees Group Gratuity fund	30.00	37.50
		Bharat Forge Company Limited Officer's Group Gratuity fund	99.32	86.59
			129.32	124.09
		Superannuation fund		
		Bharat Forge Company Limited Officer's Superannuation scheme	17.09	17.10
		17.09	17.10	
		492.09	470.22	
21	Guarantees Given/Renewed	Subsidiaries		
		Bharat Forge America Inc.	1,752.34	1,709.91
			1,752.34	1,709.91
		Step down subsidiaries		
		Bharat Forge Aluminium USA, Inc	9,035.24	1,905.92
			9,035.24	1,905.92
		10,787.58	3,615.83	
22	Donations	Other related parties		
		Harmony Electoral Trust	220.00	-
			220.00	-
			220.00	-

* For closing balances of above employee benefits Trusts, refer note no.37.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end

In ₹ Million				
Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2025	As at March 31, 2024
1	Trade payables	Subsidiaries		
		Bharat Forge Global Holding GmbH	22.43	20.84
		Bharat Forge International Limited	455.49	191.01
		Kalyani Centre For Precision Technology Limited	315.69	287.87
		Kalyani Strategic Systems Limited	25.50	24.52
		Bharat Forge America Inc.	13.46	25.61
		Others	11.45	1.13
			844.02	550.98
		Step down subsidiaries		
		BF Industrial Technology & Solutions Limited	10.91	1.95
		Bharat Forge CDP GmbH	48.36	-
		Others	79.17	31.43
			138.44	33.38
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	1.43	16.55
		Avaada MHVidarbha Private Limited	15.62	15.25
			17.05	31.80
		Other related parties		
		Kalyani Steels Limited*	1,184.75	839.64
		Saarloha Advanced Materials Private Limited**	2,353.70	2,331.42
		Kalyani Technoforge Limited	88.20	191.54
		Others	153.26	125.08
			3,779.91	3,487.68
			4,779.42	4,103.84
2	Trade receivables	Subsidiaries		
		Bharat Forge International Limited	21,308.90	18,918.11
		Kalyani Strategic Systems Limited	3,782.40	4,217.39
		Others	17.43	70.30
			25,108.73	23,205.80
		Step down subsidiaries		
		Tork Motors Private Limited	23.71	23.71
		Others	499.72	13.38
			523.43	37.09
		Other related parties		
		Automotive Axles Limited	83.30	135.57
		Saarloha Advanced Materials Private Limited	946.27	919.40
		Others	40.83	23.40
			1,070.40	1,078.37
			26,702.56	24,321.26

* Net of advance given amounting to ₹ 470 million (March 31, 2024: ₹ 470.00 million) [Refer note 22]

** Net of advance given amounting to ₹ 250 million (March 31, 2024: ₹ 250.00 million) [Refer note 22]

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million				
Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2025	As at March 31, 2024
3	Payables for capital goods	Other related parties		
		Kalyani Cleantech Private Limited	0.49	0.85
			0.49	0.85
			0.49	0.85
4	Non-current investments	Subsidiaries		
		Bharat Forge Global Holding GmbH	12,793.76	9,247.05
		Bharat Forge America Inc.	16,751.22	6,892.08
		BF Infrastructure Limited	1,641.55	1,641.55
		Kalyani Powertrain Limited	8,286.13	4,506.64
		BF Industrial Solutions Limited	5,219.79	5,039.79
		Kalyani Strategic Systems Limited	788.34	788.34
		Kalyani Centre for Precision Technology Limited	690.88	690.88
		Others	318.64	318.64
			46,490.31	29,124.97
		Joint ventures		
		BF NTPC Energy Systems Limited	33.64	33.64
		REFU Drive GmbH	-	919.14
			33.64	952.78
		Associates		
		Avaada MHVidarbha Private Limited	113.75	113.75
			113.75	113.75
		Other related parties (including fair value)		
		Khed Economic Infrastructure Private Limited	1,070.92	1,060.94
			1,070.92	1,060.94
			47,708.62	31,252.44
5	Loans given	Subsidiaries		
		BF Elbit Advanced Systems Private Limited	192.59	174.17
		Bharat Forge America Inc.	-	1,000.80
		Others	-	89.86
			192.59	1,264.83
		Step down subsidiaries		
6	Recoverable from subsidiaries (net of provision)	J S Auto Cast Foundry India Private Limited	114.05	114.05
			306.64	1,378.88
		Subsidiaries		
		Bharat Forge International Limited	26.61	168.47
		Others	70.44	80.42
			97.05	248.89

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million				
Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2025	As at March 31, 2024
6	Recoverable from subsidiaries (net of provision) (contd.)	Step down subsidiaries		
		Bharat Forge Aluminiumtechnik GmbH	-	1.93
		Bharat Forge CDP GmbH	-	3.61
		Bharat Forge PMT Technologie LLC	0.44	1.92
		BF Industrial Technology & Solutions Limited	-	5.50
			0.44	14.30
			97.49	263.19
7	Security deposits given	Other related parties		
		BF Utilities Limited	200.00	200.00
		Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited)	89.40	89.40
		Others	39.73	39.73
			329.13	329.13
			329.13	329.13
8	Advance to suppliers	Other related parties		
		Saarloha Advanced Materials Private Limited	-	-
		Others	25.02	1.33
9	Interest accrued		25.02	1.33
		Subsidiaries		
		Kalyani Powertrain Limited	-	-
		BF Elbit Advanced Systems Private Limited	-	-
		Others	-	0.61
10	Advance from customers		-	0.61
			-	0.61
			-	0.61
11	Capital advances	Other related parties		
		Automotive Axles Limited	-	-
			-	-
12	Managerial remuneration payable *	Other related parties		
		Khed Economic Infrastructure Private Limited	998.50	1,664.45
		Others	-	-
			998.50	1,664.45
		Key management personnel		
		Mr. B. N. Kalyani ^{\$}	286.07	154.40
		Mr. A. B. Kalyani	47.50	25.61
		Mr. G. K. Agarwal ^{\$\$}	-	152.08
		Mr. S. E. Tandale	19.00	20.91
		Mr. B. P. Kalyani	19.00	19.27
		Mr. K. M. Saletore	-	3.39
			371.57	375.66

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole.
\$ includes post retirement benefits of ₹ 219.57 million (March 31, 2024: ₹ 87.42 million).
\$\$ includes post retirement benefits of Nil (March 31, 2024: ₹ 149.08 million).

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

				In ₹ Million
Sr. No.	Nature of balance	Name of the related parties and nature of relationships	As at March 31, 2025	As at March 31, 2024
13	Commission to directors other than managing and whole time directors	Other Directors and Relatives		
		Mr. P. G. Pawar	4.00	1.55
		Mrs. L. D. Gupte	1.80	0.56
		Mr. P. H. Ravikumar	2.40	1.13
		Mr. V. R. Bhandari	3.80	1.50
		Mr. Dipak Mane	3.40	0.88
		Mr. Murali Sivaraman	1.00	0.75
		Mr. Kanwar Bir Singh Anand	4.00	0.38
		Mrs. Sonia Singh	3.60	0.50
		Mr. A. B. Ram	3.40	0.25
		Mr. Anand Pathak	1.80	-
		Mr. Ravi Kapoor	1.00	-
		Mrs. Rashmi Joshi	0.80	-
			31.00	7.50
14	Security deposit received	Subsidiaries		
		Kalyani Powertrain Limited	6.11	6.11
			6.11	6.11
		Other related parties		
		Kalyani Maxion Wheels Private Limited	100.00	-
			100.00	-
		106.11	6.11	
15	Provision for impairment in value of investment	Subsidiaries		
		BF Infrastructure Limited	1,488.96	1,488.96
		Kalyani Powertrain Limited	1,456.63	-
		BF Elbit Advanced Systems Private Limited	10.10	-
			2,955.69	1,488.96
		Joint Ventures		
		BF NTPC Energy Systems Limited	33.64	33.64
			33.64	33.64
		2,989.33	1,522.60	
16	Provision for impairment in value of loan	Subsidiaries		
		BF Elbit Advanced Systems Private Limited	192.59	-
			192.59	-
17	Guarantee given [#]	Subsidiaries		
		Kalyani Strategic Systems Limited	-	500.00
		Bharat Forge America Inc.	1,752.34	1,709.91
			1,752.34	2,209.91
		Step down subsidiaries		
		Bharat Forge Aluminium USA, Inc	9,890.04	5,913.77
			9,890.04	5,913.77
	11,642.38	8,123.68		

The outstanding loan amount secured by existing guarantees for the current year is ₹ 6,838.40 million.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

39. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

- (1) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured with a short-term duration unless otherwise stated. For the year ended March 31, 2025 the Company has not recorded any impairment of receivables relating to amount owed by related parties other than those disclosed separately above (March 31, 2024: ₹ Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.
- (2) All transactions were made on normal commercial terms and conditions and are at market rates.
- (3) For details of guarantees given to related parties refer note 40.

40. CAPITAL AND OTHER COMMITMENTS

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
(a) Estimated value of contracts remaining to be executed on capital accounts and not provided for, net of advances	2,906.05	3,489.65
(b) Guarantees given by the Company on behalf of other companies [(Refer note 40(a))]		
Balance outstanding	6,838.40	8,012.05
(Maximum amount)	(11,411.81)	(8,123.68)
(c) For commitments relating to lease agreements, please refer note 35		

- (a) The Company has issued various financial guarantees/support letters for working capital requirement of the subsidiary companies. The management has considered the probability for outflow of the same to be remote.

The Company, for its newly set up plant located at Mambattu, Nellore, Andhra Pradesh for the manufacture of aluminium casting, had imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports. As at March 31, 2024; export obligation aggregates to ₹ 697.18 million. This is to be satisfied over a period of 6 years (block year 1st to 4th year - 50% and 5th to 6th year - 50%) from December 14, 2018, as specified. During the current financial year, the period has concluded, and any outstanding obligations will be fulfilled in due course.

41. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a net

Notes to Standalone Financial Statements

for the year ended March 31, 2025

41. CAPITAL MANAGEMENT (CONTD.)

debt equity ratio, which is net debt divided by equity. The Company's policy is to keep the net debt equity ratio below 1.00. The Company includes within its borrowings net debt and interest-bearing loans less cash and cash equivalents.

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Borrowings	39,625.63	43,975.70
Less: Cash and other liquid assets	18,078.77	23,662.01
Net debt	21,546.86	20,313.69
Equity	109,642.62	85,687.82
Net debt/equity Ratio	0.20	0.24

42. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES/ASSOCIATES AND FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Bharat Forge Global Holding Gmbh		
Balance outstanding	-	89.86
Maximum amount outstanding during the year	95.17	91.93
BF Infrastructure Limited (advance)[!]		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	25.80
BF Elbit Advanced Systems Private Limited*		
Balance outstanding	192.59	174.17
Maximum amount outstanding during the year	192.59	174.17
Saarloha Advanced Materials Private Limited^{##}		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	1,350.00
Bharat Forge America Inc.		
Balance outstanding	-	1,000.80
Maximum amount outstanding during the year	1,098.38	1,000.80
JS Auto Cast Foundry India Private Limited^{**}		
Balance outstanding	114.05	114.05
Maximum amount outstanding during the year	116.27	114.05
Kalyani Powertrain Limited^{\$\$}		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	1,050.00

* Receivable on demand.

! Amount was receivable after 2 years from the date of disbursement of loan. It can be repaid earlier than the maturity, based on a mutual understanding.

Non-current advance for continuous supply of goods.

** Receivable after 1 year from the date of disbursement of loan. It can be repaid earlier than the maturity, based on a mutual understanding.

\$\$ Was receivable after 1 year and 3 years from the date of disbursement of loan. It can be repaid earlier than the maturity, based on a mutual understanding.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

42. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES/ASSOCIATES AND FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED (CONTD.)

Loans and advances in the nature of loans granted to promoters, directors, key managerial personnel (KMP's) and other related parties either severally or jointly with any other person that are:

- a) Repayable on demand or
- b) without specifying any terms or period of repayment

Type of Borrower	31-Mar-25		31-Mar-24	
	Amount of loan or advances in the nature of loan outstanding	% of total loans and advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	% of total loans and advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	192.59	62.81%	264.03	19.14%

Note: There are no investments by the loanee in the shares of the Company, when the respective company has made a loan or advance in the nature of loan

43. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED, ACT 2006)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Principal amount due to suppliers under MSMED Act, 2006*	172.70	80.27
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.22	0.29
Payment made to suppliers (other than interest) beyond the appointed day, during the year	14.85	45.80
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	0.23	0.32
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	5.95	5.73

* Amount includes due and unpaid of ₹ 2.19 million (March 31 2024: 0.05 million)

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

44. RELATIONSHIP WITH COMPANIES STRUCK OFF UNDER SECTION 248 OF THE COMPANIES ACT 2013 OR SECTION 560 OF THE COMPANIES ACT 1956.

In ₹ Million				
Name of the struck off company#	Transaction during the period	Balance outstanding	Nature of transaction	Relationship with the struck off company
March 31, 2025				
RBC Bearings Pvt Ltd	0.02	0.02	Expense	Vendor*
Mechkraft Engineering Pvt Ltd	-	0.18	Expense	Vendor*
Unickon Fincap Pvt Ltd	0.00	-	Dividend	Shareholder*
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder*
D J Share Trading Company Private Limited	0.00	-	Dividend	Shareholder*
Arihant Securities Limited	0.00	-	Dividend	Shareholder*
March 31, 2024				
RBC Bearings Pvt Ltd	0.02	-	Expense	Vendor*
D J Share Trading Company Pvt Ltd	0.00	-	Dividend	Shareholder*
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder*
Kothari Intergroup Ltd	0.00	-	Dividend	Shareholder*
Aditya Cyber Services And Management Solutions Private Limited	0.00	-	Dividend	Shareholder*

* These parties are not related parties as per the definition of 'related party' under section 2(76) of the Companies Act 2013.

Amounts disclosed as zero are below the million rounding off.

45. CSR EXPENDITURE

(a) Gross amount required to be spent by the Company during the year

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Gross amount required to be spent by the Company during the year	306.00	207.91

(b) An amount upto ₹ 306.00 million (March 31, 2024: ₹ 210.00 million) was approved by the board towards CSR activities.

(c) Amount spent during the year

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	244.78	171.08
	244.78	171.08

Notes to Standalone Financial Statements

for the year ended March 31, 2025

45. CSR EXPENDITURE (CONTD.)

(d) For details of CSR expenditure incurred toward related parties refer note 39.

(e) Details of ongoing projects and other than ongoing projects

Details to be disclosed under Sec 135 (6) (Ongoing Projects)

In ₹ Million								
Financial year	Opening Balance		Amount transferred to Separate Unspent A/c during the year	Amount Required to be spent during the year	Amount Spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c			From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2024-25	36.83	4.44	36.83	280.00	218.78	39.20	61.22	2.07
2023-24	29.01	6.19	29.01	193.30	156.47	30.76	36.83	4.44

In case of Sec 135 (5) (Other than Ongoing Projects)

In ₹ Million					
Financial year	Opening Balance	Amount Deposited in specified fund of Sch VII within 6 months	Amount required to be spent during the year	Amount spent during the year *	Closing Balance
2024-25	-	-	26.00	26.00	-
2023-24	-	-	14.61	14.61	-

* Includes administrative overheads of ₹ 6.00 Million (March 31, 2024: ₹ 6.91 Million)

(f) Details of shortfall, cumulative shortfall and reasons for shortfall

During the year ended March 31, 2025, as against required expenditure of ₹ 306.00 million (March 31, 2024: ₹ 207.91 million), the Company has incurred expenditure of ₹ 244.78 million (March 31, 2024: ₹ 171.08 million) and an amount of ₹ 61.22 million (March 31, 2024: ₹ 36.83 million) remained unspent due to the phase-wise implementation of CSR activities. The unspent amount for the year ended March 31, 2025, has been transferred to the unspent CSR account and the same shall be utilised by the Company in the next year for CSR projects undertaken by the Company.

(g) Nature of activities

Ongoing projects

As part of ongoing projects for CSR, the Company has undertaken initiatives such as village development (water, internal roads, Livelihood, health & education), environment sustenance (water harvesting, trees plantation, renewal of solar energy & waste management), skill development, education, community development & women empowerment, Health initiatives (telemedicine setups, cancer screening camps, strengthening of primary healthcare centres), protection of art and culture & promotion of sports

Other than ongoing projects

These include activities related to educational sponsorship, and various rural development initiatives.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

46. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT 2013

In ₹ Million				
Name of the borrowing entity	Purpose	Rate of Interest (p.a.)	Year ended March 31, 2025	Year ended March 31, 2024
Bharat Forge Global Holding GmbH	General corporate purpose*	3.50%	-	89.86
BF Elbit Advanced Systems Private Limited	Working Capital purpose*	10.00%	192.59	174.17
Bharat Forge America Inc	General corporate purpose\$	7.35% and 6.70%	-	1,000.80
JS Auto Cast Foundry India Private Limited	Prepayment of existing term loan from banks##	8.50%	64.05	64.05
JS Auto Cast Foundry India Private Limited	General corporate purpose##	8.70%	50.00	50.00

* Was receivable on demand.

Was receivable after 3 year and interest payable 6 monthly from the date of disbursement of the loan.

\$ Was receivable after 1 year, one bullet payment along with interest at the end of the term.

- All loans are unsecured

- Details of investments made are given in note 6 and note 7

Guarantee given on behalf of

- Bharat Forge America Inc., wholly owned subsidiary company and Bharat Forge Aluminium USA, Inc., step down subsidiary company of ₹ 11,642.38 million (March 31, 2024: ₹ 7,623.67 million) for term loan or loans towards investment in stepdown subsidiaries.

- Kalyani Strategic Systems Limited, subsidiary company of ₹ Nil (March 31, 2024: ₹ 500.00 million) for availing non-fund based credit facilities from the banks.

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES)

For year ended March 31, 2025

Investments

The Company has investments in following subsidiaries for being further invested in step-down subsidiaries of the Company

In ₹ Million						
Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	BF Industrial Solutions Limited	December 31, 2024	180.00	J S Auto Cast Foundry India Private Limited	December 31, 2024	180.00
2	Kalyani Powertrain Limited	June 07, 2024	14.64	Tork Motors Private Limited	May 30, 2024	1.49
				Tork Motors Private Limited	May 31, 2024	5.00

Notes to Standalone Financial Statements

for the year ended March 31, 2025

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

In ₹ Million						
Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
				Tork Motors Private Limited	June 01, 2024	6.91
				Tork Motors Private Limited	June 11, 2024	1.25
		July 01, 2024	5.00	Tork Motors Private Limited	July 01, 2024	5.00
		July 20, 2024	87.82	Tork Motors Private Limited	July 22, 2024	87.82
		August 09, 2024	399.99	Tork Motors Private Limited	August 09, 2024	399.99
		August 22, 2024	1,054.50	Refer note below*	August 22, 2024	1,054.50
		December 26, 2024	69.00	REFU Drive GmbH	December 31, 2024	69.00
		January 07, 2025	4.00	Electro Forge Limited (Loan given)	January 08, 2025	4.00
3	Bharat Forge America Inc.	June 18, 2024	3,340.40	Bharat Forge Aluminium USA, Inc.	June 18, 2024	3,340.40
		December 23, 2024	3,832.65	Bharat Forge PMT Technologie LLC	December 23, 2024	1,277.55
				Bharat Forge Aluminium USA Inc	December 23, 2024	2,555.10
4	Bharat Forge Global Holding GmbH	December 24, 2024	3,430.74	Bharat Forge CDP GmbH	December 27, 2024	593.13
				Bharat Forge Aluminiumtechnik GmbH	December 27, 2024	2,802.17
				Bharat Forge Kilsta AB	December 27, 2024	35.44

* Amount paid to Bharat Forge Limited against consideration of transfer of shares of REFU Drive GmbH to Kalyani powertrain Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2025

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

For year ended March 31, 2024

Investments

The Company has investments in following subsidiaries for being further invested in step-down subsidiaries of the Company
In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	February 09, 2024	1,248.30	Bharat Forge Aluminium USA, Inc.	February 09, 2024	1,248.30
2	Kalyani Powertrain Limited	July 11, 2023	801.91	Kalyani Mobility Inc.	September 14, 2023	498.72
					December 22, 2023	83.19
				Electro Forge Limited (Loan given)	December 21, 2023	150.00
					February 01, 2024	20.00
					February 09, 2024	20.00
					March 04, 2024	30.00
3	BF Industrial Solutions Limited	April 21, 2023	622.50	JS Auto cast Foundry India Private Limited	April 21, 2023	622.50

Loans

The Company has given loans to following subsidiaries for being further invested in step-down subsidiaries of the Company
In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	January 29, 2024	999.12	Bharat Forge Aluminium USA, Inc.	January 29, 2024	999.12

Statement of compliance

With regard to the investments made, loans given and guarantees given during the year ended March 31, 2025 as well as March 31, 2024, the Company has complied with the relevant regulatory provisions.

Particulars of the intermediaries/beneficiaries/ultimate beneficiaries

- Bharat Forge America Inc.**
Registered office: 2150, Schmiede St, Surgoinsville, Tennessee 37873, USA
Relationship with the beneficiary: Wholly owned Subsidiary
- Bharat Forge Aluminium USA, Inc.**
Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA
Relationship with the beneficiary: Step-down Subsidiary
- Bharat Forge PMT Technologie, LLC**
Registered office: 2150, Schmiede St, Surgoinsville, TN 37873, U.S.A.
Relationship with the beneficiary: Step-down Subsidiary

Notes to Standalone Financial Statements

for the year ended March 31, 2025

47 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

4 Bharat Forge Global Holding GmbH

Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Wholly owned Subsidiary

5 Bharat Forge CDP GmbH

Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Step-down Subsidiary

6 Bharat Forge Aluminiumtechnik GmbH

Registered office: Berthelsodorfer StraBe 8, 09618 Brand-Erbisdorf, Germany

Relationship with the beneficiary: Step-down Subsidiary

7 Bharat Forge Kilsta AB

Registered office: Box 428 691 27 Karlskoga, Sweden

Relationship with the beneficiary: Step-down subsidiary

8 Kalyani Powertrain Limited

Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned subsidiary

9 BF Industrial Solutions Limited

Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned subsidiary

10 REFU Drive GmbH

Registered office: Markts.18572793 Pfullingen, Baden- Wurttemberg, Germany

Relationship with the beneficiary: Joint venture of a subsidiary

11 Kalyani Mobility Inc.

Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Step-down subsidiary

12 Electro Forge Limited

Registered office: S No 49, Industry House, Opposite Kalyani Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down subsidiary

13 JS Auto Cast Foundry India Private Limited

Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam Na Coimbatore - 641107 Tamil Nadu - India

Relationship with the beneficiary: Step-down subsidiary

14 Tork Motors Pvt Ltd, India

Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down subsidiary

15 Bharat Forge Limited, India

Registered office: Mundhwa, Pune cantonment, Pune- 411036

The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes to Standalone Financial Statements

for the year ended March 31, 2025

48. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosure of fair value measurement hierarchy for assets as at March 31, 2025:

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,070.92
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited	-	-	23.76
TMJ Electric Vehicles Limited (Formerly know as Tevva Motors (Jersey) Ltd)	-	-	-
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	237.66	-	-
KPIT Technologies Limited [refer note 48(b)]	801.47	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	872.96	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited [refer note 48(a)]	-	-	-
Derivative instruments at fair value through P&L			
Fair value hedges	-	-	-
Derivatives not designated as hedge	-	16.63	-
Unquoted funds			
Investments in private equity fund	-	149.35	-
Investments in mutual funds	-	8,714.60	-
Quoted funds/bonds			
Investments in mutual funds	1,653.42	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	113.54	-
Financial liability at FVTPL			
Derivatives not designated as hedge	-	89.57	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025

48. FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosure of fair value measurement hierarchy for assets as at March 31, 2024:

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,060.94
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited	-	-	23.76
TMJ Electric Vehicles Limited (Formerly know as Tevva Motors (Jersey) Ltd)	-	-	9.71
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	454.85	-	-
KPIT Technologies Limited [refer note 48(b)]	911.16	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	1,823.40	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited [refer note 48(a)]	-	-	-
Derivative instruments at fair value through P&L			
Fair value hedges	-	5.14	-
Derivatives not designated as hedge	-	7.83	-
Unquoted funds			
Investments in private equity fund	-	113.33	-
Investments in mutual funds	-	8,242.18	-
Quoted funds/bonds			
Investments in mutual funds	2,307.02	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	17.11	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2025 and March 31, 2024.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

48. FAIR VALUE HIERARCHY (CONTD.)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2025 and March 31, 2024 are as shown below

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Unquoted equity shares in Khed Economic Infrastructure Private Limited (KEIPL) [Refer note 7(c)]	Cost method	Estimated realisation rates for developed land and land under development	March 31, 2025: ₹ 11.50 million to ₹ 12.60 million/acre (March 31, 2024: ₹ 11.00 million to ₹ 12.60 million/acre)	5% increase/(decrease) in realisation rate would result in increase/(decrease) in fair value per share by ₹ 1.53 (March 31, 2024: ₹ 1.55)
Unquoted equity shares in Avaada SataraMH Private Limited (ASPL) [Refer note 7(c)]	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in Avaada MHBuldhana Private Limited [Refer note 7(c)]	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited) [Refer note 7(e)]	Comparable transaction method (CTM)	Revenue multiple	Not Applicable	Not Applicable

(a) Gupta Energy Private Limited (GEPL)

The Company has an investment in the equity instrument of GEPL. The same is classified as at fair value through profit and loss. Over the years, GEPL has been making consistent losses. The management of the Company has made attempts to obtain the latest information for the purpose of valuation. However, such information is not available as GEPL has not filed the financial statements with Ministry Of Corporate Affaires (MCA) since FY 2014-15. In view of the above, the management believes that the fair value of the investment is Nil as at April 1, 2015 and thereafter.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

48. FAIR VALUE HIERARCHY (CONTD.)

(b) KPIT Technologies Limited

The Company had invested into 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, has by its order approved the composite scheme of arrangement (Scheme), amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholders. Pursuant to the Scheme, the engineering business of KPIT Technologies Limited has been transferred to KPIT Engineering Limited.

Pursuant to the order, Birlasoft (India) Limited has merged with KPIT Technologies Limited and KPIT Technologies has been renamed as "Birlasoft Limited". KPIT Engineering Limited has been renamed as "KPIT Technologies Limited".

Pursuant to the Scheme, the Company had received 1 equity share of KPIT Technologies Ltd. of ₹ 10/- each for 1 equity share of Birlasoft Ltd. of ₹ 2/- each. The ratio of cost of acquisition per share of Birlasoft Ltd. and KPIT Technologies Ltd. was 56.64% to 43.36%.

The investment in shares has been classified under level 1 of the fair value hierarchy as on March 31,2025 and March 31, 2024.

49. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2025; other than those with carrying amounts that are reasonable approximates of fair values:

Particulars	Carrying value		Fair value	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Investments*	4,152.44	5,892.26	4,152.44	5,892.26
Trade receivables	118.03	82.19	118.03	82.19
Loans	58.54	438.34	58.54	438.34
Derivative instruments	289.02	696.82	289.02	696.82
Other non-current financial assets	1,452.31	371.77	1,452.31	371.77
Total financial assets	6,070.34	7,481.38	6,070.34	7,481.38
Borrowings	6,594.19	12,820.60	6,594.19	12,820.60
Lease Liabilities	2,951.44	3,139.56	2,951.44	3,139.56
Derivative instruments	67.45	7.79	67.45	7.79
Other non-current financial liabilities	54.04	117.69	54.04	117.69
Total financial liabilities	9,667.12	16,085.64	9,667.12	16,085.64

* Investments do not include investments in subsidiaries, joint ventures and associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

The management assessed that the fair value of cash and cash equivalent, trade receivables, derivative instruments, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Further the management assessed that the fair value of security deposits, trade receivables and other non-current receivables approximate their carrying amounts largely due to discounting/expected credit loss at rates which are an approximation of current lending rates.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

49. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in note 48. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- (iii) The fair values of the unquoted equity shares have been estimated using a cost method (KEIPL), comparable transaction method (Tevva) as well as current market value method (ASPL and AMPL). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- (iv) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. As at March 31, 2025 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- (v) The Company's borrowings and loans are appearing in the books at fair value since they are interest bearing hence, discounting of the same is not required. The own non-performance risk as at March 31, 2025 and March 31, 2024 was assessed to be insignificant.

Reconciliation of fair value measurement of unquoted equity instruments classified as FVTOCI assets:

In ₹ Million				
Particulars	Unquoted equity shares in Avaada SataraMH Private Limited	Unquoted equity shares in Khed Economic Infrastructure Private Limited	Unquoted equity shares in Avaada MHBuldhana Private Limited	Unquoted equity shares in Tevva Motors (Jersey) Limited*
As at April 1, 2023	142.45	988.00	20.34	2,803.94
Remeasurement recognised in OCI	23.93	72.94	3.42	(2,794.23)
As at March 31, 2024	166.38	1,060.94	23.76	9.71
Remeasurement recognised in OCI	-	9.98	-	-
As at March 31, 2025	166.38	1,070.92	23.76	-

* For details of transfer of investments in TMJ Electric Vehicles Limited to one of company's subsidiary, refer note 32.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

50. HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in the US Dollar and Euro. These forecast transactions are highly probable.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

Particulars	March 31, 2025		March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	872.96	113.54	1,823.40	17.11

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit and loss. The amounts of outstanding forward contracts are as follows:

Nature of instrument	Currency	Purpose	March 31, 2025		March 31, 2024	
			Foreign Currency in Million	In ₹ Million	Foreign Currency in Million	In ₹ Million
Forward Contracts	USD	Hedging of highly probable forecast sales	576.09	50,887.00	554.00	48,300.39
Forward Contracts	EUR	Hedging of highly probable forecast sales	165.00	16,324.43	171.50	17,228.45

The cash flow hedges of the expected future sales during the year ended March 31, 2025 were assessed to be highly effective and a net unrealised (loss)/gain of ₹ 748.93 million (March 31, 2024: ₹ 1,798.96 million), with a deferred tax liability of ₹ 188.50 million (March 31, 2024: ₹ 452.76 million) relating to the hedging instruments, is included in OCI.

The amount removed from OCI during the year and included in the carrying amount of the hedged item as an adjustment for the year ended March 31, 2025 as detailed in note 33, totaling ₹ 1,130.69 million (gross of deferred tax) (March 31, 2024: ₹ 1,224.03 million). The amounts retained in OCI at March 31, 2025 are expected to mature and affect the statement of profit and loss till the year ended March 31, 2025.

Fair value hedges

At March 31, 2024 the Company had certain forward contracts outstanding, which are being used to hedge the exposure to changes in the fair value of its underlying trade receivables.

The impact of the derivative instrument on the balance sheet as at March 31, 2025 is as follows:

In ₹ Million				
Fair value hedge	Nominal amount (In Million)	Carrying amount of the asset/(liability) (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2025
Forward Contracts	Nil	Nil	Derivative instruments	Nil

Notes to Standalone Financial Statements

for the year ended March 31, 2025

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The impact of the derivative instrument on the balance sheet as at March 31, 2024 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Carrying amount of the asset/(liability) (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2024
Forward Contracts	EUR 4.75	5.14	Derivative instruments	Nil

The impact of the hedged item on the balance sheet as at March 31, 2025 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2024
Trade receivables	NIL	NIL

The impact of the hedged item on the balance sheet as at March 31, 2024 is as follows:

In ₹ Million

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2023
Trade receivables	EUR 4.75	NIL

Derivatives not designated as hedging instruments

The Company has used foreign exchange forward contracts to manage the repayment of some of its foreign currency denominated borrowings. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings.

During the current year, the company has coverted one of its term loan issues in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 7.96%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.58% on EURO equivalent.

During the previous year, the Company has converted two of its Non Convertible Debetures (NCD) issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 5.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 2.40% on EURO equivalent. The interest rate for 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 7.80%, but due to the cross-currency swap arrangement, the effective interest rate has been fixed at 3.52% on EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The impact of the derivative item on the balance sheet as at March 31, 2025 is as follows:

In ₹ Million

Borrowings	Nominal amount (In Million)	Line item in balance sheet where instrument is disclosed
Non current borrowings	INR 3,750.00	Borrowings
Non current borrowings	INR 625.00	Borrowings
Non current borrowings	INR 625.00	Borrowings
Current borrowings	INR 2,000.00	Borrowings

51. RATIO ANALYSIS AND ITS ELEMENTS

In ₹ Million

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Note reference for reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	1.58	1.58	0%	
(b) Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.36	0.52	-30%	(1)
(c) Debt Service Coverage ratio	Earnings for debt service	Debt service	2.99	2.42	23%	(2)
(d) Return on Equity ratio (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	13.54%	17.52%	-23%	(3)
(e) Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.50	2.95	-15%	
(f) Trade Receivable Turnover Ratio	Net credit sales	Average Trade Receivable	2.37	2.61	-9%	
(g) Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	4.45	4.81	-7%	
(h) Net Capital Turnover Ratio	Net sales	Working capital	2.98	3.20	-7%	
(i) Net Profit ratio (%)	Net Profit	Net sales	14.95%	15.89%	-6%	
(j) Return on Capital Employed (%)	Earning before interest and taxes (EBIT)	Capital Employed	14.76%	16.73%	-12%	
(k) Return on Investment (%)	Earning before interest and taxes (EBIT)	Average Shareholder's Equity	22.75%	27.02%	-16%	

Notes for movement in ratios

- Decrease in ratio is attributed to the QIP issue of ₹16,500 million during year, as well as a to reduction in debt.
- Variance in the ratio is due to a reduction in finance charges and lower debt repayment.
- Variance is on account of increase in shareholder's equity and net impact of QIP issue and decrease in profit.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

51. RATIO ANALYSIS AND ITS ELEMENTS (CONTD.)

Definitions

- a Total Debt = Current and non - Current portion of long-term borrowings + Short-term borrowings
- b Earning available for debt service = Profit for the year + Depreciation and Amortisation expense + Finance Costs + Exceptional items + (Gain)/Loss on sale of Property, plant and equipment
- c Debt service = Interest & Lease Payments + Principal Repayments
- d Average Inventory = (Opening Inventory + Closing inventory)/2
- e Net credit sales = Gross credit sales - Sales return
- f Average Trade Receivable = (Opening Trade Receivable + Closing Trade Receivable)/2
- g Net credit purchases = Gross credit purchases - Purchase return
- h Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2
- i Net sales = Total sales - Sales return
- j Working capital = Current assets - Current liabilities
- k EBIT = Profit before Tax + Finance Costs + Exceptional items
- l Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to Note 35 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

2) Embedded derivatives

The Company has entered into certain hybrid contracts i.e. where an embedded derivative is a component of a non-derivative host contract, in the nature of financial liability. The Company has exercised judgement to evaluate if the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host. Based on the evaluation, the Company has concluded that, these economic characteristics and risks of the embedded derivatives are closely related to the economic characteristics and risks of the host and thus not separated from the host contract and not accounted for separately.

3) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Identifying contracts with customers

The Company enters into Master service agreement ('MSA') with its customers which define the key terms of the contract with customers. However, the rates and quantities to be supplied are separately agreed through purchase orders. The Management has exercised judgement to determine that contract with customers for the purpose of Ind AS 115 is MSA and customer purchase orders for purpose of identification of performance obligations and other associated terms.

b) Identifying performance obligation

The Company enters into contract with customers for sale of goods and tooling income. The Company determined that both the goods and tooling income are capable of being distinct. The fact that the Company regularly sells these goods on a standalone basis indicates that the customer can benefit from it on an individual basis. The Company also determined that the promises to transfer these goods are distinct within the context of the contract. These goods are not input to a combined item in the contract. Hence, the tooling income and the sale of goods are separate performance obligations.

c) Determination of timing of satisfaction of performance obligation

The Company concluded that sale of goods and tooling income is to be recognised at a point in time because it does not meet the criteria for recognising revenue over a period of time. The Company has applied judgement in determining the point in time when the control of the goods and tooling income are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices which are as follows:

(1) Sale of goods

The goods manufactured are "Build to print" as per design specified by the customer for which the tools/ dies are approved before commercial production commences. Further, the dispatch of goods is made on the basis of the purchase orders obtained from the customer taking into account the just in time production model with customer.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

(2) Tooling income

Tools are manufactured as per the design specified by the customer which is approved on the basis of the customer acceptance. The Management has used judgement in identification of the point in time where the tools are deemed to have been accepted by the customers.

d) Litigations

The Company has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cash flows. The Company's legal team regularly analyses current information about these matters and assesses the requirement for the provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a law suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Considering the facts on hand and the current stage of certain ongoing litigations where it stands, the Company foresees remote risk of any material claim arising from claims against the Company. Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Company.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1) Estimating the incremental borrowing rate to measure lease liabilities

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2) Impairment of non-financial assets (tangible and intangible)

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

3) Warranty

Provision for assurance-type warranties predominantly cover the risk arising from expected claims for damages on the products sold by the Company, based on expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty-related costs is revised annually. The Company usually provides assurance type-warranty for period of two years.

Company also provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These are classified as service-type warranties. Refer accounting policy on service type warranty.

Service type warranty

Apart from assurance-type warranties cover in warranty provisions, the Company also provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

4) Defined benefit plans

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in note 37.

5) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 48 and 49 for further disclosures.

6) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. The recoverable amount requires estimates of profit, discount rate, future growth rate, terminal values, etc. based on the Management's best estimate.

Notes to Standalone Financial Statementsfor the year ended March 31, 2025

52. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

7) Provision for inventories

The Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete slow-moving items and net realisable value. The Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities other than derivatives comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI and FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Finance and Risk Management Committee (FRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The FRMC provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. Further, all the derivative activities for risk management purposes are carried out by experienced members from the senior management who have the relevant expertise, appropriate skills and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments in mutual funds, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2025 and comparatively as at March 31, 2024. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The below assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2025 and March 31, 2024 including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates, other than 5.97% rated unsecured non-convertible debentures, 5.80% rated unsecured non-convertible debentures, 7.80% rated unsecured non-convertible debentures & 5.90% rupee term loan from bank which have a fixed interest rate.

Notes to Standalone Financial Statementsfor the year ended March 31, 2025

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company generally borrows in foreign currency, considering natural hedge it has against its export. Long-term and short-term foreign currency debt obligations carry floating interest rates.

The Company avails short-term debt in foreign currency up to a tenure of 9 months, in the nature of export financing for its working capital requirements. LIBOR/SOFR or EURIBOR for the said debt obligations is fixed for the entire tenor of the debt, at the time of availment.

During the year, company has availed Rupee term loan with floating interest rate from a bank, which is linked to 3 months T-bill.

The Company has an option to reset LIBOR/SOFR or EURIBOR either for 6 Months or 3 months for its long-term debt obligations. To manage its interest rate risk, the Company evaluates the expected benefit from either of the LIBOR/SOFR or EURIBOR resetting options and accordingly decides. The Company also has an option for its long-term debt obligations to enter into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at March 31 2025, the Company's 39.75 % of total long-term borrowings are covered under floating rate of interest (March 31 2024: 45.93%).

Interest rate sensitivity

The Company's total interest cost for the year ended March 31, 2025 was ₹ 2,498.14 million (March 31, 2024: ₹ 2,874.12 million). The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long-term borrowings, as follows:

Particulars	Change in basis points	In ₹ Million	
		Effect on profit before tax and equity	
		March 31, 2025	March 31, 2024
USD	+/- 50	6.84	13.35
EUR	+50	-	7.19
INR	+/- 50	18.74	18.74

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export revenue and long-term foreign currency borrowings.

The Company manages its foreign currency risk by hedging its forecasted sales up to 3 to 4 years to the extent of 25%-65% on a rolling basis and the Company keeps its long-term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Company may hedge its long-term borrowing near to the repayment date to avoid rupee volatility in short term.

The Company avails preshipment credit and export bills discounting facility in INR to avail interest subvention benefit. The Company manages foreign currency risk by hedging the receivables against the said liability. The Company also manages foreign currency risk in relation to export receivable balances through forward exchange contracts.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note number 50.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2025

In ₹ Million				
Particulars	USD	EUR	GBP	Others
Financial assets	23,745.46	4,305.77	719.55	-
Financial liabilities	(24,558.48)	(6,419.14)	(404.01)	(11.88)

10% appreciation/depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ 262.28 Million for the year ended March 31, 2025.

The company has not considered net non-current foreign currency loan exposure, being naturally hedged against future unhedged export receivables.

For the investments in subsidiaries, joint ventures and associates being strategic in nature, do not have any maturity or cash flow hence the same has not been considered for the purpose of unhedged foreign currency exposure.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2024:

In ₹ Million				
	USD	EUR	GBP	Others
Financial assets	21,879.28	5,140.30	399.07	-
Financial liabilities	(23,156.71)	(5,669.91)	(263.85)	(94.38)

10% appreciation/depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ 176.62 Million for the year ended March 31, 2024.

The company has not considered net non-current loan exposure in foreign currency, being naturally hedged against future unhedged export receivables.

The investments in subsidiaries, joint ventures and associates being strategic in nature, do not have any maturity or cash flow hence the same has not been considered for the purpose of unhedged foreign currency exposure.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company discloses fair value of the outstanding derivative in the financial statements. The impact on the Company's pre-tax equity due to changes in fair value of the outstanding forward contracts as follows:

Change in rate	Effect on OCI (in ₹ million)		Effect on net profit (in ₹ million)	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
USD/INR -1	576.09	587.13	-	-
EUR/INR -1	165.00	214.51	-	4.75

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of un-hedged monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Change in FC/INR rate	Effect on profit before tax and equity	
	March 31, 2025	March 31, 2024
USD 1	9.42	31.32
EUR 1	78.24	36.14

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require on-going purchase of steel. Due to significant volatility of the price of steel, the Company has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in case of such pass-through arrangements.

Commodity price sensitivity

The Company has back to back pass through arrangements for volatility in raw material prices for most of the customers. However, in a few cases there may be lag effect in case of such pass-through arrangements and might have some effect on the Company's profit and equity.

Equity price risk

The Company is exposed to price risk in equity investments and classified on the balance sheet as fair value through profit and loss and through other comprehensive income. To manage its price risk arising from investments in equity, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with the limits set by the Board of Directors.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,423.35 million (March 31, 2024: ₹ 1,374.12 million). Sensitivity analysis of major investments have been provided in Note 48.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 1,039.13 million (March 31, 2024: ₹ 1,366.01 million). A increase/decrease of 10% on the NSE market index could have an impact of approximately ₹ 103.91 million (March 31, 2024: ₹ 136.60 million) on the OCI or equity attributable to the Company. These changes would not have an effect on profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Other price risks

The Company invests its surplus funds in mutual funds which are linked to debt markets. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification and investments in the portfolio are done in accordance with Company's investment policy approved by the Board of Directors. Accordingly, increase/decrease in interest rates by 0.25% will have an impact of ₹ 25.92 million (March 31, 2024: ₹ 26.37 million).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, other receivables and deposits, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Further, Company's customers include marquee Original Equipment

Manufacturers and Tier I companies, having long-standing relationships with the Company. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2025, receivable from Company's top 5 customers accounted for approximately 73.52% (March 31, 2024: 73.73%) of all the receivables outstanding. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix (Refer table below). Further, an impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped in to homogeneous groups and assessed for impairment collectively. The calculation is based on historical data and subsequent expectation of receipts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 12. The Company does not hold collateral as security except in case of a few customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Year ended	Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2025	% of loss allowance	0.11%	0.84%	7.30%	27.03%	84.87%	100.00%	1.01%
March 31, 2024	% of loss allowance	0.13%	0.78%	3.15%	13.83%	35.19%	97.27%	1.06%

Other receivables, deposits with banks, mutual funds and loans given

Credit risk from balances with banks, financial institutions and mutual funds is managed in accordance with the Company's approved investment policy. Investments of surplus funds are made only with approved Counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 is the carrying amounts as illustrated in the respective notes except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 38 and note 50 respectively.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Liquidity risk

Cash flow forecasting is performed by the Treasury function. Treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the compliance with internal cash management. The Company's treasury invests surplus cash in marketable securities as per the approved policy, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the reporting date, the Company held mutual funds of ₹ 12,207.33 million (March 31, 2024: ₹ 12,283.37 million) and other liquid assets of ₹ 3,591.84 million (March 31, 2024: ₹ 10,420.09 million) that are expected to readily generate cash inflows for managing liquidity risk.

As per the Company's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Company evaluates the option of refinancing entire or part of repayments for extended maturity. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Company is also maintaining surplus funds with short-term liquidity for future repayment of loans.

The table below summarises the maturity profile of the Company's financial liabilities (In ₹ million):

Particulars	In ₹ Million			Total
	Less than 1 year	1 to 5 years	More than 5 years	
March 31, 2025				
Borrowings	33,222.58	6,594.19	-	39,816.77
Trade and other payables	13,727.07	-	-	13,727.07
Lease liabilities	188.38	867.24	2,084.20	3,139.82
Other financial liabilities	1,040.79	54.04	-	1,094.83
Total	48,178.82	7,515.47	2,084.20	57,778.49
March 31, 2024				
Borrowings	31,452.02	12,820.60	-	44,272.62
Trade and other payables	12,804.82	-	-	12,804.82
Lease liabilities	169.91	808.91	2,330.65	3,309.47
Other financial liabilities	834.26	117.69	-	951.95
Total	45,261.01	13,747.20	2,330.65	61,338.86

The Management believes that the probability of any outflow on account of financial guarantees issued by the Company being called on is remote. Hence the same has not been included in the above table. Further, as and when required, the Company also gives financial support letters to subsidiaries.

54. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

55. The Company has entered into a share purchase agreement ("SPA") for the acquisition of 100% shareholding in AAM India Manufacturing Corporation Private Limited ("AAMIMCPL"), a leading manufacturer of axles for light, medium and heavy commercial vehicles in India. The completion of acquisition shall be subject to fulfilment of conditions precedent and in accordance with the terms agreed upon in the SPA.

56. OTHER STATUTORY INFORMATION

- a. There is no proceeding initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- b. The Company does not have any charge which is yet to be registered with Registrar of Companies beyond the statutory period. With regard to satisfaction of charges, few cases of the company is outstanding with ROC due to technical reasons and company is in the process of obtaining no dues certificates from the lenders, which the Company will be filing with the Registrar of Companies for satisfaction of the related charges.
- c. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d. During the year ended March 31, 2025, the Company was not party to any approved scheme which needs approval from competent authority in terms of section 230 to 237 of the Companies Act, 2013.
- e. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. However the audit trail functionality is not enabled at database level and also in case of few fields in SAP at application layer. The company is in the process of evaluation of the feasibility of extending the audit trail facility on such fields in SAP as well as at database layer of accounting software's used for maintaining the books of accounts. Additionally, the audit trail has been preserved by the company as per the statutory requirements for records retention.

As per our report of even date

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

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 08, 2025

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

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

Kedar Dixit
Senior Vice President and CFO

Place: Pune
Date: May 08, 2025

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Independent Auditor’s Report

To the Members of Bharat Forge Limited
Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Bharat Forge Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associates and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate/consolidated financial statements/information of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2025, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of the other auditors on separate/consolidated financial statements/information of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor’s Report (Contd.)

Revenue from sale of goods
See Note 2.3F and Note 24 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of goods. The Group manufactures specialised forged, machined and defence-related products as per specifications provided by its customers. Revenue from sale of goods is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract with them which may vary for each customer. The Group and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognised before the control has been transferred.	In view of the significance of the matter we and the other auditors applied the following audit procedures in this area, to obtain sufficient appropriate audit evidence: • We and the other auditors assessed the appropriateness of Group's accounting policies for revenue recognition by comparing with applicable accounting standards. • We and the other auditors evaluated the design, implementation and operating effectiveness (wherever applicable) of key internal controls over recognition of revenue. • On a sample basis, we and the other auditors tested revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately when control is transferred. • We and the other auditors tested, on a sample basis specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred. • We and the other auditors scrutinised journal entries related to revenue recognised during the year based upon specified risk-based criteria, to identify unusual or irregular items.

Independent Auditor’s Report (Contd.)

Assessment of impairment of Property, Plant and Equipment (PPE), Intangible Assets (IA) and Goodwill in relation to Cash Generating Units (CGU) at certain subsidiaries
See Note 2.3P, Note 3 and Note 5 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The respective companies in the group periodically assess if there are any impairment indicators for recognising impairment loss in respect of the CGUs. An annual impairment test is done for those CGUs which include Goodwill. As at March 31, 2025, certain subsidiaries in India, Germany, USA and Sweden identified indicators for impairment. The impairment assessment of the CGUs of such subsidiaries involves significant judgements and estimates including future business projections, discount rates and other assumptions. Accordingly, this matter has been identified as a key audit matter.	The audit procedures performed by the respective auditors of those subsidiaries included the following: • Obtained understanding of the respective subsidiary's process for assessing the indicators of impairment of the CGU and the process followed for estimation of the recoverable value. • Evaluated the design, implementation and operating effectiveness (wherever applicable) of key internal controls over impairment assessment of CGU. • Assessed the methodology used by the subsidiary to estimate the recoverable value of the relevant CGU. • Evaluated the assumptions around key drivers of the cash flow forecasts/comparable companies or transactions including discount rates, expected growth rates, margins, terminal growth rates and applicable multiples. • Performed sensitivity analysis of key assumptions used to determine which assumptions could change the outcome of impairment assessment. • Involved specialists to assist in evaluating the impairment model, assumptions and estimates, where applicable.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Independent Auditor’s Report (Contd.)

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Managements and Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

Independent Auditor’s Report (Contd.)

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- a. We did not audit the financial statements/information of 26 subsidiaries, whose financial statements/information reflect total assets (before consolidation adjustments) of ₹ 111,361 million as at March 31, 2025, total revenues (before consolidation adjustments) of ₹ 101,200 million and net cash outflows (net) (before consolidation adjustments) amounting to ₹ 3,177 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

One of above subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's Management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by

Independent Auditor’s Report (Contd.)

the Holding Company’s Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of the other auditor and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The financial information of six subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of ₹ 45 million as at March 31, 2025, total revenues (before consolidation adjustments) of ₹ 27 million and net cash outflows (net) (before consolidation adjustments) amounting to ₹ 4 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by the other auditors. The consolidated financial statements also include the Group’s share of net loss (and other comprehensive loss) (net) of ₹ 38 million for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of four associates and three joint ventures, whose financial information has not been audited by us or by the other auditors. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries, as were audited by the other auditors, as noted in the “Other Matters” paragraph, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

Independent Auditor’s Report (Contd.)

- e. On the basis of the written representations received from the directors of the Holding Company between April 1, 2025 and April 30, 2025, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act except for two directors pertaining to one subsidiary company for which in the absence of written representations, the other auditor is unable to comment upon.
- f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- B. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/consolidated financial statements of the subsidiaries, as noted in the “Other Matters” paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2025 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.
- b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 19(a) to the consolidated financial statements in respect of such items as it relates to the Group.
- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company, except for the delay in depositing ₹ 0.13 million for more than 12 years which is unpaid as at March 31, 2025; or its subsidiary companies incorporated in India during the year ended March 31, 2025.
- d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial information has been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 54.1 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective Managements of the Holding Company and its subsidiary companies incorporated in India whose financial information has been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 54.2 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor’s Report (Contd.)

- (iii)

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to the payment of dividend.

As stated in Note 17 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed a final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to the declaration of dividend.
- f.

Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
 - In respect of the Holding Company and its six subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.
 - In respect of Holding Company, the feature of recording audit trail (edit log) facility was not enabled for certain tables at the application level of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
 - In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
 - In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to property, plant and equipment, financial reporting process, purchase to payables, payroll, revenue to receivables and production to inventory throughout the year.
 - In respect of three subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to financial reporting process, property, plant and equipment, purchase to payables, and revenue to receivables throughout the year.
 - In respect of one subsidiary company, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to financial reporting process, purchase to payables and revenue to receivables throughout the year.
 - In respect of Holding Company and one subsidiary company, the payroll accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.

Independent Auditor’s Report (Contd.)

- In respect of one subsidiary company, the inventory management software does not have the feature of recording audit trail (edit log) facility. Consequently, the other auditor is unable to comment on audit trail feature of the said software.
 - In respect of one subsidiary company, the accounting software does not have the feature of recording audit trail (edit log) facility. Consequently, the other auditor is unable to comment on audit trail feature of the said software.
 - In respect of Holding Company, in the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation for the accounting software used for consolidation, we are unable to comment whether audit trail feature at the database level for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.
 - In respect of four subsidiaries, the companies have used the accounting softwares for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility. The accounting softwares did not have the audit trail features enabled throughout the year. The subsidiary companies are in the process of establishing necessary controls and documentation regarding audit trail. Consequently, the other auditor is unable to comment on audit trail features of the said softwares.
- Further, during the course of our audit, we and respective auditors of such subsidiary companies did not come across any instance of audit trail feature being tampered with. Additionally, where enabled, the audit trail has been preserved by the Holding Company and subsidiary companies as per the statutory requirements for records retention.
- C.

With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid/ payable during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN: 25103334BMOVUS2433

Place: Pune
Date: 08 May 2025

Independent Auditor’s Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Bharat Forge Limited	L25209PN1961PLC012046	Holding Company	i (c), iii (c), iii (e), iii (f) vii (a)
2	Kalyani Rafael Advanced Systems Private Limited	U29270PN2015PTC156252	Subsidiary	ii (b)
3	Ferrovial Transrail Solutions Private Limited	U45300DL2012PTC239645	Subsidiary	xvii
4	Kalyani Strategic Systems Limited	U31902PN2010PLC138025	Subsidiary	iii (c) iii (f) vii (a)
5	Sagar Manas Technologies Limited	U29100PN2022PLC209117	Subsidiary	xvii
6	Kalyani Powertrain Limited	U29308PN2020PLC194429	Subsidiary	xvii
7	BF Elbit Advanced Systems Private Limited	U29270PN2012PTC144268	Subsidiary	vii (a), xvii
8	BF Industrial Solutions Limited	U29100PN2011PLC138621	Subsidiary	xvii
9	Kalyani Lightweighting Technology Solutions Limited	U29299PN2022PLC213002	Subsidiary	xvii
10	BF Infrastructure Limited	U45203PN2010PLC136755	Subsidiary	iii (f), xvii
11	Electroforge Limited	U31909PN2022PLC213390	Subsidiary	xvii

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Independent Auditor’s Report (Contd.)

Name of the entities	CIN	Subsidiary/JV/ Associate
Eternus Performance Materials Private Limited	U74900PN2012PTC144091	Subsidiary
Zorya Mashproekt India Private Limited	U34300DL2022PTC403135	Subsidiary
Tork Motors Private Limited	U34104PN2010PTC135855	Subsidiary
Lycan Electric Private Limited	U50200PN2015PTC156029	Subsidiary
Aeron Systems Private Limited	U72200PN2008PTC133026	Associate
Avaada MHVidarbha Private Limited	U40106UP2021PTC144594	Associate
BF-NTPC Energy Systems Limited	U40106DL2008PLC179793	Joint Venture
Refu Drive India Private Limited	U31909PN2019PTC185291	Joint Venture

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN: 25103334BMOVUS2433

Place: Pune
Date: 08 May 2025

Independent Auditor’s Report (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT FORGE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Bharat Forge Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Independent Auditor’s Report (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 14 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial information insofar as it relates to four subsidiary companies, two associate companies and two joint venture companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by the other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies, associate companies and joint venture companies are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.: 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
ICAI UDIN: 25103334BMOVUS2433

Place: Pune
Date: 08 May 2025

Consolidated Balance Sheet

as at March 31, 2025

		In ₹ Million	
	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	58,473.77	54,682.73
(b) Capital work-in-progress	3	17,253.49	9,768.61
(c) Investment property	4	281.63	2.89
(d) Goodwill	5	2,627.83	2,959.85
(e) Other intangible assets	5	413.00	707.89
(f) Intangible assets under development	5	63.70	143.82
(g) Right-of-use asset	43	4,472.93	4,740.45
(h) Investments accounted for using the equity method	6	905.08	639.27
(i) Financial assets			
(i) Investments	7	6,192.36	7,595.73
(ii) Trade receivables	12	135.48	97.91
(iii) Loans	8	58.54	60.26
(iv) Derivative instruments	9	289.02	827.40
(v) Other financial assets	10	1,616.22	671.67
(j) Deferred tax assets (net)	21	1,901.43	1,651.64
(k) Income tax assets (net)		408.37	419.81
(l) Other non-current assets	14	3,466.92	8,366.13
		98,559.77	93,336.06
II. Current assets			
(a) Inventories	11	35,784.36	32,160.82
(b) Financial assets			
(i) Investments	7	13,529.59	10,254.78
(ii) Trade receivables	12	28,996.06	31,671.51
(iii) Cash and cash equivalents	13	6,210.35	13,153.10
(iv) Other bank balances	13	6,703.41	3,746.12
(v) Loans	8	166.14	201.33
(vi) Derivative instruments	9	600.57	1,148.23
(vii) Other financial assets	10	1,036.38	416.21
(c) Other current assets	14	9,296.58	7,403.02
		102,323.44	100,155.12
Total assets		200,883.21	193,491.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	956.27	931.27
(b) Other equity	16	91,577.07	70,770.57
Equity attributable to owners of the parent company		92,533.34	71,701.84
Non-controlling interests	37	(327.53)	(48.75)
Total equity		92,205.81	71,653.09
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	13,193.66	18,589.80
(ii) Lease liabilities	43	3,623.98	3,792.56
(iii) Derivative instruments	19a	67.45	7.79
(iv) Other financial liabilities	19	195.38	253.09
(b) Provisions	20	2,192.25	1,806.84
(c) Deferred tax liabilities (net)	21	1,198.28	1,690.49
(d) Other non-current liabilities	23	1,176.32	2,896.43
		21,647.32	29,037.00
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	49,690.21	56,630.95
(ii) Lease liabilities	43	474.74	461.99
(iii) Trade payables	22		
Dues to micro enterprises and small enterprises		770.13	530.22
Dues to other than micro enterprises and small enterprises		22,671.99	22,091.00
(iv) Derivative instruments	19a	137.57	9.32
(v) Other financial liabilities	19	1,654.04	1,814.41
(b) Other current liabilities	23	9,289.48	9,154.05
(c) Provisions	20	1,945.86	1,500.11
(d) Current tax liabilities (net)		396.07	609.04
		87,030.09	92,801.09
Total liabilities		108,677.40	121,838.09
Total equity and liabilities		200,883.21	193,491.18

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022
Shiraz Vastani
Partner
Membership Number: 103334

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

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

Kedar Dixit
Senior Vice President and CFO

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

Place: Pune
Date: May 08, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

		In ₹ Million	
	Notes	Year ended March 31, 2025	Year ended March 31, 2024
INCOME			
Revenue from operations	24	151,228.03	156,820.71
Other income	25	2,137.64	2,274.24
Total income [i]		153,365.67	159,094.95
EXPENSES			
Cost of raw materials and components consumed	26	64,396.23	71,383.81
Purchase of stock in trade		2,318.22	2,450.17
(Increase) in inventories of finished goods, work-in-progress, stock in trade, dies and scrap	27	(771.05)	(42.07)
Employee benefits expense	28	18,698.95	18,599.97
Finance costs	29	4,174.93	4,911.67
Depreciation and amortisation expense	30	8,736.19	8,481.97
Other expenses	31	39,646.23	38,849.43
Total expenses [ii]		137,199.70	144,634.95
Profit before share of profit/(loss) of associates and joint ventures, exceptional items and tax [i-ii]		16,165.97	14,460.00
Share of profit/(loss) of associates and joint ventures		(24.52)	65.71
Income tax expense		12.55	12.56
Share of profit/(loss) of associates and joint ventures, net of tax		(37.07)	53.15
Profit before exceptional items and tax		16,128.90	14,513.15
Exceptional items (loss)	32	(1,570.65)	(123.23)
Profit before tax		14,558.25	14,389.92
Income tax expense	21		
Current tax		5,848.54	5,690.69
Deferred tax (credit)		(423.04)	(402.36)
		5,425.50	5,288.33
Profit for the year		9,132.75	9,101.59
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) not to be reclassified to profit and loss in subsequent periods (net of tax)			
- Re-measurement (loss) on defined benefit plans	33	(185.37)	(235.82)
- Net (loss)on FVTOCI equity investments	33	(51.09)	(1,493.84)
- Share of other comprehensive (loss) of associates and joint ventures	33	(0.61)	(0.38)
		(237.07)	(1,730.04)
Income tax effect	33	41.24	283.88
(A)		(195.83)	(1,446.16)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025 (Contd.)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
In ₹ Million			
Other comprehensive income/(loss) to be reclassified to profit and loss in subsequent periods (net of tax)			
- Net movement on cash flow hedges	33	(1,060.36)	150.24
- Exchange differences on translating financial statements of foreign operations	33	432.60	103.50
		(627.76)	253.74
Income tax effect	33	267.78	(38.81)
	[B]	(359.98)	214.93
Other comprehensive (loss) for the year [A+B]		(555.81)	(1,231.23)
Total comprehensive income for the year		8,576.94	7,870.36
Of the total comprehensive income above,			
Attributable to:			
Owners of the parent company		8,855.72	8,281.33
Non-controlling interests		(278.78)	(410.97)
Of the total comprehensive income above,			
Profit for the year			
Attributable to:			
Owners of the parent company		9,411.53	9,511.28
Non-controlling interests		(278.78)	(409.69)
Of the total comprehensive income above,			
Other comprehensive (loss) for the year			
Attributable to:			
Equityholders of the parent company		(555.81)	(1,229.95)
Non-controlling interests		-	(1.28)
Earnings per equity share [nominal value per share ₹ 2/- (March 31, 2024: ₹ 2/-)]	34		
Basic		20.05	20.43
Diluted		20.05	20.43

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022
Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 08, 2025

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

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

Kedar Dixit
Senior Vice President and CFO

Place: Pune
Date: May 08, 2025

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430
Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL:

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

		No.
As at March 31, 2025		478,088,632
Changes in equity share capital during the year		12,500,000
As at March 31, 2024		465,588,632
As at April 01, 2023		465,588,632
(1) For the year ended March 31, 2025		
Balance as on April 1, 2024	Changes in equity share capital during the current year	Balance as on March 31, 2025
931.27	25.00	956.27
(2) For the year ended March 31, 2024		
Balance as on April 1, 2023	Changes in equity share capital during the current year	Balance as on March 31, 2024
931.27	-	931.27

B. OTHER EQUITY

Particulars	Attributable to the owners of the parent											In ₹ Million
	Reserves and Surplus (Refer note 16)				Items of OCI (Refer note 16)							
	Securities premium	Capital reserves	Employee stock option outstanding	General reserve	Retained Earnings	Foreign currency translation reserve (FCTR)	Equity instruments through other comprehensive income	Non-controlling interest reserve	Cash flow hedge reserve	Sub Total	Non Controlling interests	
Balance as at April 1, 2024	6,930.89	15.50	127.36	3,230.48	56,757.59	1,575.33	929.76	(148.19)	1,351.85	70,770.57	(48.75)	70,721.82
- Profit/(Loss) for the year	-	-	-	-	9,411.53	-	-	-	-	9,411.53	(278.78)	9,132.75
- Other Comprehensive Income/(Loss)	-	-	-	-	(136.09)	432.60	(59.74)	-	(792.58)	(555.81)	-	(555.81)
- Premium on allotment of equity shares	16,475.00	-	-	-	-	-	-	-	-	16,475.00	-	16,475.00
- Expenses on allotment of equity shares	(302.67)	-	-	-	-	-	-	-	-	(302.67)	-	(302.67)
Transaction with owners in their capacity as owners	16,172.33	-	-	-	9,275.44	432.60	(59.74)	-	(792.58)	25,028.05	(278.78)	24,749.27
- Final equity dividend	-	-	-	-	(3,026.33)	-	-	-	-	(3,026.33)	-	(3,026.33)
- Interim equity dividend	-	-	-	-	(1,195.22)	-	-	-	-	(1,195.22)	-	(1,195.22)
Balance as at March 31, 2025	23,103.22	15.50	127.36	3,230.48	61,811.48	2,007.93	870.02	(148.19)	559.27	91,577.07	(327.53)	91,249.54

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025 (Contd.)

B. OTHER EQUITY (CONTD.)

Particulars	Attributable to the owners of the parent											In ₹ Million
	Reserves and Surplus (Refer note 16)				Items of OCI (Refer note 16)							
	Securities premium	Capital reserves	Employee stock option outstanding	General reserve	Retained Earnings	Foreign currency translation reserve (FCTR)	Equity instruments through other comprehensive income	Non-controlling interest reserve	Cash flow hedge reserve	Sub Total	Non Controlling interests	
Balance as at April 1, 2023	6,930.89	15.50	37.40	3,230.48	51,140.41	1,471.83	2,205.25	(148.19)	1,240.42	66,123.99	360.72	66,484.71
- Profit/(Loss) for the year	-	-	-	-	9,511.28	-	-	-	-	9,511.28	(409.69)	9,101.59
- Other Comprehensive Income/(Loss)	-	-	-	-	(169.39)	103.50	(1,275.49)	-	111.43	(1,229.95)	(1.28)	(1,231.23)
- Movement during the year	-	-	-	-	-	-	-	-	-	-	1.50	1.50
- Compensation options granted during the year [Refer note 16(d)]	-	-	89.96	-	-	-	-	-	-	89.96	-	89.96
Transaction with owners in their capacity as owners	-	-	89.96	-	9,341.89	103.50	(1,275.49)	-	111.43	8,371.29	(409.47)	7,961.82
- Final equity dividend	-	-	-	-	(2,560.74)	-	-	-	-	(2,560.74)	-	(2,560.74)
- Interim equity dividend	-	-	-	-	(1,163.97)	-	-	-	-	(1,163.97)	-	(1,163.97)
Balance as at March 31, 2024	6,930.89	15.50	127.36	3,230.48	56,757.59	1,575.33	929.76	(148.19)	1,351.85	70,770.57	(48.75)	70,721.82

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

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

Shiraz Vastani
Partner
Membership Number: 103334

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

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

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

Consolidated Cash Flow Statement

for the year ended March 31, 2025

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
OPERATING ACTIVITIES		
Profit after exceptional items & before tax	14,558.25	14,389.92
Add/(Less): Share of profit/(loss) of associates and joint ventures (net of tax)	(37.07)	53.15
	14,595.32	14,336.77
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	8,736.19	8,481.96
Unrealised foreign exchange (gain)/MTM (net)	(363.50)	(249.32)
Interest income	(691.49)	(759.64)
Liabilities/provision no longer required written back	(59.44)	(156.68)
Provision for doubtful debts and advances (net) including expected credit loss	68.52	189.75
Bad debts/advances written off	79.91	98.04
Finance costs	4,174.93	4,911.67
Loss on sale of property, plant and equipment (net)	14.87	35.67
Dividend income from equity securities	(8.34)	(5.67)
Non cash insurance claim	-	(62.53)
Net (gain) on sale of financial instruments	(1,415.32)	(646.46)
Net loss/(gain) on fair valuation of financial instruments (FVTPL)	768.55	(198.46)
Share-based payment expense	-	89.96
Non-cash exceptional items	1,570.65	-
Operating profit before working capital changes	27,470.85	26,065.06
Working capital adjustments		
Decrease/(Increase) in trade receivables	2,510.11	(1,081.31)
(Increase) in inventories	(3,837.66)	(855.80)
Decrease in other financial assets	57.40	387.04
(Increase) in other assets	(2,279.99)	(2,072.39)
Increase in provisions	614.19	708.25
Increase in trade payables	910.48	1,294.08
Increase/(decrease) in other financial liabilities	153.00	(122.62)
(Decrease) in other liabilities	(1,584.88)	(2,493.21)
Cash generated from operations	24,013.50	21,829.10
Income taxes paid (net of refunds)	(6,050.07)	(5,185.15)
Net cash flows from operating activities (I)	17,963.43	16,643.95
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment property and intangible assets (including capital work-in-progress, capital creditors and capital advances)	(14,504.59)	(15,240.26)
Proceeds from sale of property, plant and equipment and intangible assets	65.40	237.01
Purchase of other investment	-	(540.51)
Investments in joint venture/associates	(303.49)	-
Payment made for acquisition of business	-	(533.08)
Loan given to joint venture/associates	-	(65.76)
Repayment of loan given to joint venture/associates	42.47	-
Investments in mutual funds, fixed deposits and other deposits	(142,382.36)	(107,039.25)
Proceeds from sale of financial instruments including fixed deposits	136,896.77	115,888.02
Interest received	534.13	620.68
Dividend received	8.34	5.67
Net cash flows (used in) investing activities (II)	(19,643.33)	(6,667.48)

Consolidated Cash Flow Statement

for the year ended March 31, 2025 (contd.)

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
FINANCING ACTIVITIES		
Dividend paid on equity shares	(4,220.93)	(3,800.66)
Interest paid on lease liabilities	(330.76)	(341.12)
Interest paid on borrowing and other liabilities	(4,398.40)	(4,554.38)
Proceeds from Issuance of Equity share capital under Qualified Institutional Placement (QIP)	16,500.00	-
Transaction cost related to Qualified Institutional Placement (QIP)	(302.67)	-
Payment of principal portion of lease liabilities	(515.71)	(513.47)
Proceeds from borrowings including bill discounting	88,513.79	95,194.78
Repayment of borrowings including bill discounting	(100,942.28)	(88,012.04)
Net cash flows (used in) financing activities (III)	(5,696.96)	(2,026.89)
Net (decrease)/increase in cash and cash equivalents (I + II + III)	(7,376.86)	7,949.58
Net foreign exchange difference	1.51	12.89
Cash and cash equivalents at the beginning of the year*	13,153.10	5,087.13
Cash and cash equivalents at the end of the year*	5,777.75	13,049.60
Foreign currency translation reserve movement	432.60	103.50
Cash and cash equivalents at the end of the year*	6,210.35	13,153.10

* Excluding earmarked balances

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
BANK BALANCES		
In cash credit and current accounts	5,204.60	7,808.01
Deposits with original maturity of less than three months	1,003.06	5,342.72
CASH ON HAND	2.69	2.37
Total	6,210.35	13,153.10

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

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

Shiraz Vastani
Partner
Membership Number: 103334

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

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

Kedar Dixit
Senior Vice President and CFO

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

Place: Pune
Date: May 08, 2025

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Bharat Forge Limited (“the Holding Company”) and its subsidiaries (collectively, the Group) and Group’s interest in associates and Joint Ventures. Bharat Forge Limited (“the Company”) is a public Company domiciled in India. Its shares are listed on two stock exchanges in India. The Group is engaged in the manufacturing, assembling and selling of forged and machined components including aluminium castings for auto and industrial sector and also in manufacturing and assembly of electric vehicle related components. The Group also assembles products for the Defence industry. The Group caters to both domestic and international markets. The registered office of the Company is located at Mundhwa, Pune. The Holding Company’s CIN is L25209PN1961PLC012046. The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of directors on May 08, 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements (“CFS”) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns
- The ability to use its power over the investee to affect its returns

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.2 Basis of consolidation (contd.)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedures:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.2 Basis of consolidation (contd.)

- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to the statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

When the proportion of the equity held by non-controlling interest changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, is directly recognised in equity and attributed to the owners of the parent.

2.3 Summary of material accounting policies

A. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the statement of

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

A. Business combinations and goodwill (contd.)

profit and loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and subsequently, its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of the net assets assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

B. Investment in associates and joint ventures (contd.)

an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group recognises share of profit/(loss) of associates and joint ventures in the statement of profit and loss and then calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Exceptional items' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

C. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

D. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balance

Transactions in foreign currencies are initially recorded by the Group in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

D. Foreign currencies (contd.)

gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss, are also recognised in OCI or the statement of profit and loss, respectively).

Exchange Differences

The Group had availed the option available under Ind AS 101 para D13 AA and is continuing the policy adopted for accounting for exchange difference arising from translation of long-term foreign currency monetary items recognised in the financial statements for the year ending March 31, 2016. Hence, such exchange differences are accounted as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of property, plant and equipment are capitalised and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the FCMITDA through Other Comprehensive Income (OCI). The amortisation of the balance of FCMITDA is transferred to the statement of profit and loss over the remaining life of the respective monetary item.
- All other exchange differences are recognised as income or as expense in the period in which they arise.

For the purpose of (a) and (b) above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

Further, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

Any goodwill arising in the acquisition/business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

E. Fair value measurement

The Group measures financial instruments at fair value except those measured at amortised cost at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

E. Fair value measurement (contd.)

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 35)
- Quantitative disclosures of fair value measurement hierarchy (note 51)
- Investment in unquoted equity shares (note 7)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 52)

F. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognising the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers".

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on date of bill of lading for export sales and generally on delivery for domestic sales. In case of certain subsidiaries, revenue recognition is based on ex-factory/ex-works incoterms wherein the goods are made available at subsidiary company's factory location to be picked up by the customers. The performance obligation is met at the time of goods being made available for pick up by customers. The normal credit term is 30 to 240 days upon delivery.

In case of bill and hold arrangements, revenue is recognised when the Group completes its performance obligation to transfer the control of the goods to the customer in accordance with the agreed upon specifications in the contract for which customer has accepted the control. Such goods are identified and kept ready for delivery based on which revenue is recognised.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Tooling income

Revenue from tooling income is recognised at the point in time when the control of the die is transferred, which is on receipt of customer's approval as per the terms of the contract (referred to as production parts approval process or PPAP) as per the terms of the contract.

Sale of services

Revenue from sale of services is in nature of job work on customer product which normally takes 1 – 4 days maximum and hence revenue is recognised when products are sent to customer on which job work is completed. The normal credit period is 60 days.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

F. Revenue from contracts with customers (contd.)

Service type warranty

Apart from assurance type warranties cover in warranty provisions, the Group also provides a warranty beyond fixing defects to ensure that the products are made available for pre-defined period during the tenure of warranty. These service-type warranties are usually sold bundled together with the product. Contracts for bundled sales of product and service-type warranty comprise two performance obligations because the product and service-type warranty are distinct within the context of the contract. Using the expected cost plus margin approach, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Operating and maintenance services

When the Group sells products that are bundled with maintenance service, such services are treated as a separate performance obligation only if the service is optional to the customer or includes an additional service component. In such cases, the transaction price allocated towards such maintenance services is based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is generally contracted for an item when sold separately is the best evidence of its standalone selling price.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before the payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at transaction price. Refer to accounting policies of financial assets in Note 2.3-T Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration in the form of advance from the customer (or an amount of consideration is due). If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligation as per the contract.

G. Other Income

Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

Dividends

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

H. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income/netted off with expenses on a systematic basis in the statement of profit and loss over the periods

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

H. Government grants (contd.)

necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export incentives

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

I. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

I. Taxes (contd.)

- In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

J. Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Internally manufactured plant and equipment are capitalised at cost, including non-creditable indirect taxes after deducting the net proceeds from selling any items produced while bringing the asset to the required location and condition, wherever applicable. All significant costs relating to the acquisition and installation of property, plant and equipment/investment property are capitalised. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provision are met.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

J. Property, plant and equipment (contd.)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation as follows:

Type of assets	Schedule II life (years)	Useful life estimated by management (years)
Building-Factory	30	8 – 50
Buildings – Others	5 – 60	5 – 60
Plant and machinery	15	1 – 23
Plant and machinery – Dies	15	1 – 7
Plant and machinery – Windmill	25	19
Plant and machinery – Continuous processing plant	25	18
Plant and machinery – Computer	3	3
Office equipment	5	3 – 11
Railway sidings	15	10
Power Line	6	6
Electrical installation	10	10
Factory equipment	10	2 – 10
Furniture and fixtures	10	5 – 10
Vehicles	8	3 – 9
Aircraft	20	7 – 18

The Holding Company and its Indian subsidiaries, based on the technical assessment made by technical experts and the Management estimate, depreciate certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Freehold land is carried at cost.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

K. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment property using cost-based measurements, the fair value measurement of investment property is disclosed in note 4. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying a valuation model.

The investment properties held by the Group are in the nature of freehold land, hence are not subject to depreciation.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non cash consideration, and consideration payable to the buyer (if any).

L. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

The Group amortises intangible assets on straight line basis over the useful life of the asset as mentioned below:

Type of Asset	Useful life estimated by management (years)
Computer software	3 – 5
Development costs	10
Patents	10
Technology licence	5
Customer Contracts	2
Technical know-how	3

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

L. Intangible Assets (contd.)

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

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

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

M. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

N. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

N. Leases (contd.)

are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life estimated by management (years)
Buildings	2 – 18
Plant and machinery	3 – 15
Motor vehicles and other equipment	3 – 5
Leasehold Land	95 – 99

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.3-P Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as the expense on a straight-line basis over the lease term.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

N. Leases (contd.)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to the ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

O. Inventories

The cost of inventories has been computed to include all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Costs of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods valued at lower of costs are determined on weighted average basis and net realisable value.

Dies are valued at cost or net realisable value. The cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of dies are determined on a weighted average basis.

Scrap is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

P. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

P. Impairment of non-financial assets (contd.)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Intangible assets under development are tested for impairment annually.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Q. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

R. Warranty

Provision for assurance type warranties predominantly covers risk arising from expected claims for damages on the products sold by the Group, based on expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. The estimate of warranty-related costs is revised annually. The Group usually provides assurance-type warranty for a period of two years.

S. Post-employment and other employee benefits Provident fund

The Holding Company operates a defined benefit plan for the eligible employees to provide employee benefit in the nature of provident fund. For the employees of the Group which are not covered under the above plan, a separate plan is operated which is a defined contribution plan.

The eligible employees of the Holding Company receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Holding Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Holding Company contributes a part of the contributions to the "Bharat Forge Company Limited Staff Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The cost of providing benefits under the above-mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

In respect of the employees of the Group who are not covered under the above scheme, a portion of provident fund is contributed to the Government-administered pension fund which is a defined contribution scheme.

The Holding Company and its Indian subsidiaries have no obligation, other than the contribution payable to the provident fund. The Holding Company and its Indian subsidiaries recognise contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity, Post retirement medical benefits and pension:

The Holding Company and some of its Indian subsidiaries operate two defined benefits plans for its employees viz. gratuity and special gratuity scheme, whereas, the overseas subsidiaries operate only one defined benefit plan for gratuity payable to its employees. Payment for present liability of future payment of gratuity is being

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

S. Post-employment and other employee benefits (contd.)

made to approved gratuity funds. The special gratuity scheme is unfunded. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the project unit credit method.

The Holding Company provides certain additional post employment healthcare benefits and defined benefit pension plan to certain key management personnel. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Under this unfunded scheme, key managerial personnel of the Holding Company receive medical benefits and pension, depending on their grade and location at the time of retirement (subject to certain limits on amounts of benefits, for periods after retirement and types of benefits). The Holding Company recognises liability for post-retirement medical and pension scheme based on an actuarial valuation.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment
- The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Superannuation

Retirement benefit in the form of superannuation plan is a defined contribution plan. Defined contributions to Life Insurance Corporation for employees of the Holding Company covered under Superannuation scheme are accounted at the rate of 15% of such employees' basic salary. The Group recognises expense toward the contribution paid/payable to the defined contribution plan as and when an employee renders the relevant service. If the contribution already paid exceeds the contribution due for service before the balance sheet date, the Group 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 Group recognises that difference excess as a liability. The Group has no obligation, other than the contribution payable to the superannuation fund.

Privilege leave benefits

Accumulated leave, which is expected to be utilised within the next 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

S. Post-employment and other employee benefits (contd.)

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains/losses are immediately taken to the statement of other comprehensive income and are not deferred. The Group presents the leave as a current provisions in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current provisions.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of these benefits; and (b) when the entity recognises cost for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Pension

Group provides certain additional post employment healthcare benefits and defined benefit pension plan to certain key managerial personnel. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Other long-term employee benefits

In 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 recognised in full in the period in which they occur in the consolidated statement of other comprehensive income.

T. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets excluding trade receivables are initially measured at fair value. Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised in consolidated profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Financial assets, Equity and derivative instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to exchange traded funds, trade and other receivables.

The Group intends to hold its investment in open-ended target maturity funds (i.e. exchange traded funds/ETF) till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such strategy mitigates intermittent price volatility in open-ended target maturity fund's underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupon and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open-ended target maturity funds meet the requirements of SPPI test as per the requirements of Ind AS 109.

Financial assets at FVTOCI

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Financial assets that are measured at FVTOCI

The Group follows a ‘simplified approach’ for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, a 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

Financial liabilities Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss
Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

T. Financial instruments (contd.)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a Standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

U. Derivative financial instruments and hedge accounting Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

U. Derivative financial instruments and hedge accounting (contd.)

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects the statement of profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, the hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as a charge.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the statement of profit and loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in trade receivables. The change in fair value is recognised as an asset or liability with corresponding gain or loss recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit and loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

U. Derivative financial instruments and hedge accounting (contd.)

Cash flow hedges

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. Refer to note 50 for more details.

Amounts recognised as OCI are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

V. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

W. Dividend to equity holders of the Group

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

X. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Y. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

2.3 Summary of material accounting policies (contd.)

Y. Earnings per share (contd.)

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.

2.4 Changes in accounting policies and new and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

On March 31, 2025, MCA did not issue any accounting standards that were effective on April 1, 2024.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings (Note e and f)	Plant and machinery (Note b)	Railway sidings	Office equipment	Electrical installations	Factory equipment	Sub Total (A)
In ₹ Million								
Cost								
As at April 1, 2023	1,111.07	14,639.80	68,687.19	0.02	244.57	316.07	4,380.09	89,378.82
Foreign Currency Translation Reserve	3.12	73.33	235.56	-	0.83	-	22.69	335.53
Additions	10.87	622.02	7,184.87	-	117.99	28.10	670.39	8,634.24
Additions on acquisition of subsidiary	-	168.96	183.46	-	-	32.26	-	384.68
Disposals	-	(38.58)	(503.10)	-	(3.47)	-	(247.92)	(793.07)
Other adjustments								
- Others	-	-	7.49	-	(0.42)	-	-	7.07
- Borrowing cost (Refer note a)	-	-	192.12	-	-	-	-	192.12
As at March 31, 2024	1,125.06	15,465.53	75,987.59	0.02	359.50	376.43	4,825.25	98,139.39
Foreign Currency Translation Reserve	12.91	255.57	950.62	-	1.66	-	87.84	1,308.60
Additions	983.15	3,843.53	5,728.30	-	22.22	58.00	350.37	10,985.57
Disposals	-	(2.77)	(73.25)	-	(0.05)	(0.28)	(30.08)	(106.43)
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-
Other adjustments								
- Others	-	-	(4.28)	-	-	-	-	(4.28)
- Borrowing cost (Refer note a)	-	-	-	-	-	-	-	-
As at March 31, 2025	2,121.12	19,561.86	82,588.98	0.02	383.33	434.15	5,233.38	110,322.85
Depreciation and impairment								
As at April 1, 2023	-	3,223.06	31,808.91	-	131.85	174.51	2,735.83	38,074.16
Foreign Currency Translation Reserve	-	15.58	93.70	-	0.59	-	15.77	125.64
Additions on acquisition of subsidiary	-	-	0.07	-	-	-	-	0.07
Charge for the year	-	485.26	6,434.20	-	38.95	15.78	488.31	7,462.50
Disposals	-	(3.44)	(478.22)	-	(1.25)	-	(244.10)	(727.01)
Impairment	-	-	-	-	-	-	-	-
Other adjustments	-	(0.02)	6.99	-	0.20	-	-	7.17
- Others (Refer note c)	-	-	-	-	-	-	-	-
As at March 31, 2024	-	3,720.44	37,865.65	-	170.34	190.29	2,995.81	44,942.53
Foreign Currency Translation Reserve	-	61.30	471.25	-	1.43	-	61.90	595.87
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-
Charge for the year	-	569.17	6,627.14	-	57.24	18.30	445.38	7,717.23
Disposals	-	(1.28)	(54.99)	-	(0.03)	-	(30.08)	(86.38)
Impairment	-	59.41	300.07	-	13.26	-	-	372.74
Other adjustments	-	-	-	-	-	-	-	-
As at March 31, 2025	-	4,409.04	45,209.12	-	242.24	208.59	3,473.01	53,541.99
Net block								
As at March 31, 2024	1,125.06	11,745.09	38,121.94	0.02	189.16	186.14	1,829.44	53,196.86
As at March 31, 2025	2,121.12	15,152.83	37,379.87	0.02	141.09	225.56	1,760.37	56,780.86

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Furniture and fixtures	Vehicles and aircraft	Power line	Sub Total (B)	Grand Total (A+B)	Capital work-in-progress
In ₹ Million						
Cost						
As at April 1, 2023	388.66	1,743.81	16.17	2,148.64	91,527.46	6,976.09
Foreign Currency Translation Reserve	-	0.23	-	0.23	335.76	54.00
Additions	39.45	224.30	-	263.75	8,897.99	8,102.36
Additions on acquisition of subsidiary	-	-	-	-	384.68	-
Disposals	(0.43)	(14.75)	-	(15.18)	(808.25)	(5,661.93)
Other adjustments						
- Others	3.02	-	-	3.02	10.09	-
- Borrowing cost (Refer note a)	-	-	-	-	192.12	310.32
As at March 31, 2024	430.70	1,953.59	16.17	2,400.46	100,539.85	9,780.84
Foreign Currency Translation Reserve	-	0.61	-	0.61	1,309.23	12.70
Additions	93.26	397.06	-	490.32	11,475.89	11,564.63
Additions on acquisition of subsidiary	-	-	-	-	-	-
Disposals	(8.30)	(6.57)	-	(14.87)	(121.29)	(4,397.41)
Other adjustments						
- Others	-	4.28	-	4.28	-	-
- Borrowing cost (Refer note a)	-	-	-	-	-	304.96
As at March 31, 2025	515.66	2,348.97	16.17	2,880.80	113,203.68	17,265.72
Depreciation and impairment						
As at April 1, 2023	165.25	555.54	9.50	730.29	38,804.44	12.23
Foreign Currency Translation Reserve	-	0.15	-	0.15	125.79	-
Additions on acquisition of subsidiary	-	-	-	-	0.07	-
Charge for the year	41.69	149.53	1.43	192.65	7,655.15	-
Disposals	(0.15)	(11.26)	-	(11.41)	(738.42)	-
Impairment	-	-	-	-	-	-
Other adjustments	2.93	-	-	2.93	10.10	-
As at March 31, 2024	209.72	693.96	10.93	914.60	45,857.13	12.23
Foreign Currency Translation Reserve	-	0.47	-	0.47	596.34	-
Additions on acquisition of subsidiary	-	-	-	-	-	-
Charge for the year	37.25	199.05	1.43	237.73	7,954.96	-
Disposals	(6.02)	(5.54)	-	(11.56)	(97.94)	-
Impairment	32.31	14.37	-	46.68	419.42	-
Other adjustments	-	-	-	-	-	-
As at March 31, 2025	310.50	902.31	12.36	1,225.16	54,729.91	12.23
Net block						
As at March 31, 2024	220.98	1,259.63	5.24	1,485.85	54,682.73	9,768.61
As at March 31, 2025	205.16	1,446.66	3.81	1,655.64	58,473.77	17,253.49

- (a) Capitalised borrowing costs:
- The Group capitalises these borrowing costs in the capital work-in-progress (CWIP) first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital work-in-progress (CWIP) balances. The borrowing costs capitalised during the year ended March 31, 2025 was ₹ 304.96 million (March 31, 2024: ₹ 502.44 million). The capitalisation rate ranges from LIBOR + 60 bps to LIBOR + 100 bps p.a. and EURIBOR + 60 bps to EURIBOR + 95 bps p.a. and SOFR + 60 bps to SOFR + 116 bps, Refer note 18(a).
- (b) Assets include assets lying with third parties amounting to ₹ 332.30 Million (March 31, 2024: ₹ 351.61 Million).
- (c) Other adjustments are related to reclassification within block of assets.
- (d) None of the components in the Group have revalued any property, plant and equipment during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (e) Buildings include cost of hangar jointly owned with other companies ₹ 0.07 million (March 31, 2024: ₹ 0.07 million).
- (f) The title deeds of immovable properties (other than properties where the Holding Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Holding Company except:
- a. Flat at Kalyani Nagar in possession of the Holding Company since April 01, 1987, whose title deed is in the name of Shri Anajwala Khozema F & Smt. Anajwala Amina aggregating gross block ₹ 0.31 million and net block at ₹ 0.13 million for which exchange deed is registered at authority, however, certified true copy and index II is awaited.
- b. Hanger at Lohegoan in possession of the Holding Company since April 01, 1977 aggregating gross block of ₹ 0.12 million and net block of ₹ 0.04 million and Tenements at Kharadi- Vimannagar in possession of the Holding Company since April 01, 1981 aggregating gross block of ₹ 0.16 million and net block of ₹ 0.01 million for which title deeds are not available with the Holding Company.
- (g) Capital work in progress (CWIP) including Intangible asset under development ageing schedule.
- (h) During the year, two subsidiaries which were engaged in manufacturing of electric bikes, which is part of a seperate cash generating unit (CGU) has recorded a provision for impairment of ₹ 419.42 million in property, plant & equipment. [Also refer Note 32(d)]

In ₹ Million					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2025					
Projects in progress	9,243.52	7,443.64	207.25	349.59	17,244.00
Projects temporarily suspended	-	-	32.65	40.54	73.19
Total	9,243.52	7,443.64	239.90	390.13	17,317.19
March 31, 2024					
Projects in progress	6,573.69	2,672.94	193.91	434.63	9,875.17
Projects temporarily suspended	-	37.26	-	-	37.26
Total	6,573.69	2,710.20	193.91	434.63	9,912.43

There are no projects whose completion is overdue or have exceeded their cost compared to original plan.

4. INVESTMENT PROPERTY

In ₹ Million	
Particulars	Freehold land
Cost	
As at April 1, 2023	2.89
Additions	-
Disposals	-
As at March 31, 2024	2.89
Additions	278.74
Disposals	-
As at March 31, 2025	281.63
Depreciation	
As at April 1, 2023	-
Depreciation for the year	-
As at March 31, 2024	-
Depreciation for the year	-
As at March 31, 2025	-
Net block	
As at March 31, 2024	2.89
As at March 31, 2025	281.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

4. INVESTMENT PROPERTY (CONTD.)

Information regarding income and expenditure of investment property

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Rental income derived from investment properties [included in Rent in note 25]	62.39	4.42
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	1.12
[included in Rates and taxes in note 31]	0.28	-
Profit arising from investment properties before depreciation and indirect expenses	62.11	3.30
Less: Depreciation	-	-
Profit arising from investment properties before indirect expenses	62.11	3.30

As at March 31, 2025 and March 31, 2024, the fair values of the properties are ₹ 1,168.98 million and ₹ 1,168.98 million respectively. The Group obtains independent valuations for its investment properties at least annually. These valuations are performed by an accredited independent valuer firm and this firm is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers ready reckoner rates. The main input used is the ready reckoner rate. All resulting fair value estimates for investment properties are included in Level 2.

The Group has no restrictions on the realisability of its investment properties and has no contractual obligations to either construct or develop investment properties or for repairs, maintenance and enhancements. The Group's investment properties consist of three parcels of land situated at Pune, Satara and Chakan. Freehold land parcel includes 25 acres of land situated at Pune and 24.13 acres of land situated at Satara and 8.40 acres of land situated at Chakan, which have been given on lease.

Reconciliation of fair value

In ₹ Million	
Investment properties	Free hold land
at April 1, 2023	1,139.56
Fair value difference	29.42
Purchases	-
at March 31, 2024	1,168.98
Fair value difference	-
Purchases	-
at March 31, 2025	1,168.98

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

5 INTANGIBLE ASSETS AND GOODWILL

In ₹ Million									
Particulars	Computer and Software	Customer contracts	Technical know-how	Development cost	Patents	Technology License	Total	Goodwill*	Intangible assets under development
Cost									
As at April 1, 2023	450.25	7.84	8.65	408.43	3.04	856.89	1,735.10	3,299.24	47.75
Foreign Currency Translation Reserve	(6.53)	-	-	1.08	8.92	-	3.47	3.62	-
Additions	127.86	-	-	6.76	-	-	134.62	3.28	96.07
Disposals	(57.64)	-	-	-	-	-	(57.64)	-	-
Other adjustments									
- Others	0.09	-	-	-	-	-	0.09	-	-
As at March 31, 2024	514.03	7.84	8.65	416.27	11.96	856.89	1,815.64	3,306.14	143.82
Foreign Currency Translation Reserve	7.53	-	-	(0.01)	-	-	7.52	12.48	-
Additions	172.76	-	-	149.05	-	-	321.81	-	319.14
Additions on acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Disposals	(69.31)	-	-	(9.49)	-	-	(78.80)		(399.26)
Impairment	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2025	625.01	7.84	8.65	555.82	11.96	856.89	2,066.17	3,318.62	63.70
Amortisation/Impairment									
As at April 1, 2023	290.72	7.84	7.87	210.22	2.91	399.08	918.64	344.52	-
Foreign Currency Translation Reserve	(0.27)	-	-	0.98	1.47	-	2.18	1.77	-
Charge for the year	91.94	-	-	47.51	-	93.16	232.61	-	-
Disposals	(45.77)	-	-	-	-	-	(45.77)	-	-
Other adjustments									
- Others	0.09	-	-	-	-	-	0.09	-	-
As at March 31, 2024	336.71	7.84	7.87	258.71	4.38	492.24	1,107.75	346.29	-
Foreign Currency Translation Reserve	5.94	-	-	-	-	-	5.94	8.08	-
Charge for the year	104.73	-	-	30.47	-	17.52	152.72	-	-
Disposals	(60.50)	-	-	-	-	-	(60.50)	-	-
Impairment	0.13	-	-	100.00	-	347.13	447.26	336.42	-
Other adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2025	387.01	7.84	7.87	389.18	4.38	856.89	1,653.17	690.79	-
Net Block									
at March 31, 2024	177.32	-	0.78	157.56	7.58	364.65	707.89	2,959.85	143.82
at March 31, 2025	238.00	-	0.78	166.64	7.58	-	413.00	2,627.83	63.70

(a) The Group has identified the Company Mécanique Générale Langroise (MGL) as the CGU, to which goodwill has been allocated. MGL is involved in machining of Oil & Gas and other industrial sector components. The goodwill generated through business combination has been entirely allocated to CGU ‘MGL’ which pertains to the forging segment. The carrying amount of goodwill as at March 31, 2025 is ₹ 192.31 million (March 31, 2024: ₹ 272.71 million) net of impairment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

5 INTANGIBLE ASSETS AND GOODWILL (CONTD.)

- (b) In earlier years, the Group had acquired JS Auto Cast Foundry India Private Limited which is engaged in the business of ductile iron foundry manufacturing raw and machined castings. Accordingly as part of the overall business combination, the group recognised the goodwill amounting to ₹ 2,433.34 million based on the valuation reports obtained as part of purchase price allocation.
- (c) The Company capitalises borrowing costs in the intangible assets under developement first. The amount of borrowing costs capitalised as other adjustments in the above note reflects the amount of borrowing cost transferred from intangible assets under developement. The borrowing costs capitalised in intangible assets under developement during the year ended March 31, 2025 was ₹ Nil (March 31, 2024: ₹ 0.78 million). Capitalisation rate is Nil (March 31, 2024: 8.70% p.a.)
- (d) During the previous year the Group had acquired Zorya Mashproekt India Private Limited which is engaged in the business relating to Marine Gas Turbine Engine manufactured by original manufacturer Zorya Mashproekt Ukraine. Accordingly as part of the overall business combination, the group recognised the goodwill amounting to ₹ 2.18 million based on the Net Worth of the company on the date of acquisition.
- (e) During the year, two subsidiaries which were engaged in manufacturing of electric bikes, which is part of a seperate cash generating unit (CGU) has recorded a provision for impairment of ₹ 447.26 million in intangible assets. [Also refer Note 32(d)]

Impairment of Goodwill:

1. Kalyani Strategic Systems Limited

As a part of business restructuring, goodwill of BF Infrastructure Limited (on acquisition of KPIT unit) was transferred to Kalyani Strategic Systems Limited. The Group performed its annual impairment test for the year March 31, 2025. The Group considers the discounted cash flows, among other factors, when reviewing for indicators of impairment. The calculations use post-tax cash flow projections based on financial budgets/forecasts approved by the Management."

Key assumptions used for value in use calculations

Weighted Average Cost of Capital % (WACC) before tax (discount rate): 42.12% (March 31, 2024: 21.63%)

Terminal growth rate: 2.00% (March 31, 2024: 2.00%)

The discount rate is calculated as follows: WACC = Cost of equity x (1- gearing) + Cost of debt x (1- tax rate) x gearing. The terminal growth rate used is in line with the long-term inflation rate.

The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

Based on the above assessment, the goodwill of ₹ 53.00 million was impaired on March 31, 2025 (March 31, 2024: Nil).

2. Mécanique Générale Langroise (MGL)

The Group performed its annual impairment test for the year March 31, 2025. The Group considers the discounted cash flows, among other factors, when reviewing for indicators of impairment. The calculations use pre-tax cash flow projections based on financial budgets/forecasts approved by the Management.

Key assumptions used for value in use calculations

Weighted Average Cost of Capital % (WACC) before tax (discount rate): 12.40% (March 31, 2024: 12.70%)

Terminal growth rate: 1.80% (March 31, 2024: 1.80%)

The discount rate is calculated as follows: WACC = Cost of equity x (1- gearing) + Cost of debt x (1- tax rate) x gearing. The terminal growth rate used is in line with long-term inflation rate.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

5 INTANGIBLE ASSETS AND GOODWILL (CONTD.)

The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value after impairment.

Based on the above assessment, there is no need for impairment of goodwill in March 31, 2025 (March 31, 2024: Nil).

3. JS Autocast Foundry India Private Limited

The Group performed its annual impairment test for the year March 31, 2025. The Group considers the discounted cash flows, among other factors, when reviewing for indicators of impairment. The calculations use pre-tax cash flow projections based on financial budgets/forecasts approved by the Management.

Key assumptions used for value in use calculations

Weighted Average Cost of Capital % (WACC) before tax (discount rate): 14.38% (March 31, 2024: Nil)

Terminal growth rate: 1.00% (March 31, 2024: Nil)

The discount rate is calculated as follows: WACC = Cost of equity x (1- gearing) + Cost of debt x (1- tax rate) x gearing. The terminal growth rate used is in line with long-term inflation rate.

The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value after impairment.

Based on the above assessment, there is no need for impairment of goodwill in March 31, 2025 (March 31, 2024: Nil).

4. Electric Bike CGU

During the year, two subsidiaries which were engaged in manufacturing of electric bikes, which is part of a separate cash generating unit (CGU) has recorded a provision for impairment of ₹ 283.42 million in goodwill. [Also refer Note 32(d)]

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Equity pickup		
Unquoted equity instruments (fully paid)		
- Investment in associates		
Talbahn GmbH [Refer note 6(a)]	0.30	0.30
Less: Provision for impairment in value of investments	(0.30)	(0.30)
	-	-
1,36,500 (March 31, 2024: 1,36,500) equity shares of ₹ 10/- each fully paid up in Aeron Systems Private Limited [Refer note 39]	144.36	126.90
11,375,000 (March 31, 2024: 11,375,000) equity shares of ₹ 10/- each fully paid up in Avaada MHVIDARBHA Private Limited [Refer note 39]	117.45	115.73
769,000 (March 31, 2024: Nil) ordinary shares fully paid in Edgelab S.p.A. [Refer note 6(c)]	234.01	-
- Investments in joint ventures		
7,128,219 (March 31, 2024: 7,128,219) equity shares of ₹ 10/- each fully paid up in BF NTPC Energy Systems Limited [Refer note 6(b)]	33.64	33.64
Less: Provision for impairment in value of investments	(33.64)	(33.64)
	-	-
12,500 (March 31, 2024: 12,500) ordinary shares of Eur 1.00 each in Refu Drive GmbH [11,350,000 (March 31, 2024: Euro 11,350,000)] [Refer note 38]	409.26	396.64
Total	905.08	639.27

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTD.)

- a. Not included in the consolidation based on materiality.
- b. In the earlier years, the shareholders of BF NTPC Energy Systems Limited, at their extraordinary general meeting held on October 9, 2018; decided to voluntarily liquidate the Company and engaged a liquidator to liquidate the Company under the provisions of Section 59 of the Insolvency and Bankruptcy Code 2016.
- c. During the current year, the Group acquired through Kalyani Strategic Systems Limited (wholly owned subsidiary of Holding Company) 25% of equity share capital (769,000 Equity Shares) of Edgelab S.p.A. through private placement arrangement. The Group has voting power of 19.84% and also as per the shareholding agreement, Kalyani Strategic Systems Limited has the right to appoint its CEO as a member of the board of directors of the Investee Company. Accordingly, the Group has significant influence over investee Company. Edglab S.p.A. is therefore, considered to be an Associate.

7. INVESTMENTS

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current investment		
(a) Investments designated at amortised cost		
Debt Mutual funds (unquoted)	1,839.31	1,734.16
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	-	51.06
Interest rate of 7 to 8% (March 31, 2024: 7 to 8%)		
20,698 (March 31, 2024: Nil) ordinary shares having par value ₹ 10 in Sunsure Solarpark Twenty Eight Private Limited [Refer note 7(h)]	25.88	-
(a)	1,865.19	1,785.22
(b) Investments designated at fair value through OCI (FVTOCI) (Refer note 7(a) and (c))		
- Equity instruments (unquoted)		
- Investments in others (Group holds 5% or more of the share capital) fully paid		
38,384,202 (March 31, 2024: 38,384,202) equity shares of ₹ 10/- each fully paid up in Khed Economic Infrastructure Private Limited [Refer note 7(c)]	1,070.92	1,060.94
14,245,000 (March 31, 2024: 14,245,000) equity shares of ₹ 10/- each in Avaada SataraMH Private Limited [Refer note 7(c)]	166.38	166.38
2,033,850 (March 31, 2024: 2,033,850) equity shares of ₹ 10/- each in Avaada MHBuldhana Private Limited [Refer note 7(c)]	23.76	23.76
1,160,668 (March 31, 2024: 1,160,668) ordinary shares of £ 0.00001 each in TMJ Electric Vehicles Limited (formerly known as Tevva Motors (Jersey) Limited) [Refer note 7(e)]	-	9.71
13,982,725 (March 31, 2024: 13,982,725) Series Seed-3 Preferred Stock having par value \$ 0.00001 in Harbinger Motors Inc. (formerly known as Electron Transport Inc.) [Refer note 7(c)]	2,013.98	1,690.46
-Equity instruments (quoted)		
Investment in others		
613,000 (March 31, 2024: 613,000) equity shares of ₹ 10/- each fully paid up in KPIT Technologies Limited [Refer note 7(h)]	801.47	911.16
613,000 (March 31, 2024: 613,000) equity shares of ₹ 2/- each fully paid up in Birlasoft Limited [Refer note 7(h)]	237.66	454.85
Total FVTOCI Investments	4,314.17	4,317.26
Carried over	6,179.36	6,102.48

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

7. INVESTMENTS (CONTD.)

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Brought over	6,179.36	6,102.48
(c) Investments at fair value through profit or loss (FVTPL) (Refer note 7(d))		
Equity instruments (unquoted)		
Investments in others (Group holds 5% or more of the share capital)		
504,432 (March 31, 2024: 504,432) equity shares of ₹ 10/- each fully paid up in Gupta Energy Private Limited [Refer note 7(b)]	-	-
1,300,000 (March 31, 2024: 1,300,000) ordinary shares having par value ₹ 10 in Ratnakar Energy Private Limited [Refer note 7(c)]	13.00	13.00
Investments in private equity fund (unquoted funds)		
665,040.45 (March 31, 2024: 665,144.18) Units of ₹ 100/- each of Paragon Partners Growth Fund-I	-	113.33
Investment in Limited Liability Partnership 14% (March 31, 2024: Nil) share in SPI Power LLP [Refer note 7(f)]	-	0.01
Investments in mutual funds (unquoted funds) [Refer note 7(d)]	-	1,366.91
Total FVTPL Investments (c)	13.00	1,493.25
Total (a) + (b) + (c)	6,192.36	7,595.73
Current investments		
(d) Investments designated at amortised cost		
Debt Mutual funds (unquoted) by subsidiary companies	52.59	-
Unsecured, rated, listed, Non-Convertible Perpetual Bonds (quoted)	2,130.25	907.50
(e) Investments designated at fair value through profit or loss (FVTPL)		
Investments in mutual funds (quoted funds) [Refer note 7(d)]	1,653.42	2,307.02
Investments in mutual funds (unquoted funds) [Refer note 7(d)]	8,714.60	6,875.27
Investment in mutual funds (quoted funds) by subsidiary companies [Refer note 7(d)]	136.97	-
Investment in mutual funds (unquoted funds) by subsidiary companies [Refer note 7(d)]	692.41	164.99
Investments in private equity fund (unquoted funds)		
665,040.45 (March 31, 2024: 665,144.18) Units of ₹ 100/- each of Paragon Partners Growth Fund - I [Refer note 7(d)]	149.35	-
Total FVTPL Investments	11,346.75	9,347.28
Total	13,529.59	10,254.78
Non-current		
Aggregate book value of quoted investments	100.24	151.29
Aggregate market value of quoted investments	1,039.13	1,366.01
Aggregate value of unquoted investments	5,153.23	12,026.33
Current		
Aggregate book value of quoted investments	3,700.16	2,715.28
Aggregate market value of quoted investments	3,920.64	3,214.52
Aggregate value of unquoted investments	9,608.95	7,040.26

- (a) These investments are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group.
- (b) **Gupta Energy Private Limited (GEPL)**
Shares of GEPL pledged against the facility obtained by Gupta Global Resources Private Limited. This investment is carried at fair value of ₹ Nil.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

7. INVESTMENTS (CONTD.)

- (c) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity and quoted debt securities. Refer note 51 for determination of their fair values.
- (d) Investments at fair value through profit or loss (fully paid) reflect investment in quoted/unquoted equity and debt securities. Refer note 51 for determination of their fair values.
- (e) **TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited)**
The Group holds investments in Tevva Motors Limited held through TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited, collectively referred to as Tevva. Tevva is a start-up engaged in modular electrification system for medium range of commercial vehicles raised additional funding to finance its operations. Post allotment of equity shares by Tevva Motors to the new investors, Tevva has ceased to be an associate of the Group from November 8, 2021. Accordingly, the Group has classified it to be an equity instrument held at fair value through other comprehensive income.

During the current year, the Group has considered a fair value adjustment as against the total carrying value of Tevva Motors Limited which is now under administrator, resulting in other comprehensive loss of ₹ 0.54 million (March 31, 2024: 2,936.58 million) making the value of investment nil. This fair value adjustment has been considered basis future projections and revenue market multiple for comparable companies in the segment.
- (f) In earlier years, the Group had made an investment in SPI Power LLP amounting to ₹ 0.01 million.
- (g) **Birlasoft Limited and KPIT Technologies Limited**
The Holding Company had invested in 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, had by its order approved the composite scheme of arrangement (Scheme), amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholder. Pursuant to the scheme, the engineering business of KPIT Technologies Limited had been transferred to KPIT Engineering Limited.

Pursuant to the order during the earlier year, Birlasoft (India) Limited had merged with KPIT Technologies Limited and KPIT Technologies had been renamed "Birlasoft Limited". KPIT Engineering Limited had been renamed "KPIT Technologies Limited".

Pursuant to the scheme, the Company had received 1 equity share of KPIT Technologies Limited of ₹ 10/- each for 1 equity share of Birlasoft Limited of ₹ 2/- each. The ratio of cost of acquisition per share of Birlasoft Limited and KPIT Technologies Limited was 56.64% to 43.36%.
- (h) **Sunsure Solarpark Twenty Eight Private Limited**
During the current year, the Group has invested in Sunsure Solarpark Twenty Eight Private Limited of ₹ 25.88 million by acquiring 20,698 equity shares of ₹ 10/- each at a premium of ₹ 1,240 each.

8. LOANS

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current (Unsecured, considered good)		
Other loans		
Loans to employees	58.54	60.26
Total	58.54	60.26
Current (Unsecured, considered good)		
Loans to related parties		
Loans to associates and joint ventures [Refer note 45 and 47]	128.81	165.76
Other loans		
Loans to employees	37.33	35.57
Total	166.14	201.33

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

8. LOANS (CONTD.)

No loans are due from directors or other officers of the Group, firms in which the director is a partner or private companies in which director is a director or member either severally or jointly with any other person, except for loans/advances disclosed in Note 45 and 47.

Loans are non derivative financial assets which generate fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.

9. DERIVATIVE INSTRUMENTS

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	289.02	696.81
Fair value hedges (FVTPL)		
Cross currency swap	-	130.59
Total	289.02	827.40
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	583.94	1,135.25
Fair value hedges (FVTPL)		
Foreign currency forward contracts	-	5.15
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	16.63	7.83
Total	600.57	1,148.23

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign currency forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR).

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of EUR/INR and foreign currency forward contracts to hedge exposure to changes in the fair value of underlying Euro liability and trade receivables respectively.

Derivative instruments not designated as hedge reflect the positive change in cross currency swaps through which the Company has converted two of its long-term INR Non-Convertible Debentures into a Euro and INR pre-shipment credit into USD and EURO for positive interest arbitrage.

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of cross currency swaps, designated as fair value hedge through which the Group had converted one of its long-term USD loans into a Euro loan and INR preshipment credit into USD for positive interest arbitrage. They also reflect positive changes in fair value of foreign currency forward contracts to hedge exposure to changes in fair value of underlying trade receivables. In current year, the instrument has been settled off and balance outstanding as on March 31, 2025 is Nil.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

10. OTHER FINANCIAL ASSETS

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Non current		
Government grants*	58.52	53.09
Security deposits	500.17	455.14
Corporate Fixed Deposits	1,057.53	163.44
Total	1,616.22	671.67
Current		
Government grants*	280.88	251.25
Corporate Fixed Deposits	500.39	-
Security deposits	7.39	3.35
Interest Recoverable	98.93	53.40
Insurance Claim Receivable	-	62.53
Deposits with maturity of less than 12 months**	119.84	-
Other receivables***	28.95	45.68
Total	1,036.38	416.21

* Includes receivables against various schemes of export incentives and Industrial Promotion Subsidy (IPS) under Package Scheme of Incentives (PSI) 2007. There are no unfulfilled conditions or other contingencies attached to the these Government grants.

** ₹ 119.84 million held in escrow account is restricted and not available for general use.

*** Other receivables included sundry balances receivables.

11. INVENTORIES

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and components*	10,200.61	7,482.94
Work-in-progress	9,576.99	10,455.38
Finished goods**	12,664.13	11,010.27
Stores, spares and loose tools	2,982.84	2,848.02
Dies and dies under fabrication	236.30	265.97
Scrap	123.49	98.24
Total	35,784.36	32,160.82

* Includes goods in transit March 31, 2025: ₹ 271.67 million (March 31, 2024: ₹ 299.05 million)

** Includes goods in transit March 31, 2025: ₹ 6,718.66 (March 31, 2024: ₹ 7,258.52 million)

During the year ended March 31, 2025: ₹ 234.49 million (March 31, 2024: ₹ (523.65) million) was recognised as (reversal of expense)/expenses for inventories carried at net realisable value.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

12. TRADE RECEIVABLES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non current		
Unsecured		
Considered good	135.81	134.08
	135.81	134.08
Less:		
Loss allowance (allowance for bad and doubtful debts including expected credit loss)		
Unsecured (Considered good)	0.33	36.17
	0.33	36.17
Total	135.48	97.91
Current		
Secured		
Considered good	24.73	39.25
	24.73	39.25
Unsecured		
Considered good (including related parties receivable)	29,408.84	32,213.02
Credit impaired	154.48	141.68
	29,563.32	32,354.70
Less:		
Loss allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	154.48	141.68
Unsecured (considered good)	437.51	580.76
	591.99	722.44
Total	28,996.06	31,671.51

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

For terms and conditions relating to related party receivables, Refer note 48.

Trade receivables are non-interest bearing and are generally on terms of 30 to 240 days.

For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer note 48.

Trade receivables ageing schedule

As at March 31, 2025

Particulars	In ₹ Million						
	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Receivables							
(a) Considered good	18,963.63	9,217.55	1,116.99	131.42	43.78	96.01	29,569.38
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	6.46	24.55	22.14	35.75	65.58	154.48
Unbilled revenue	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

12. TRADE RECEIVABLES (CONTD.)

Particulars	In ₹ Million						
	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Receivables							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Unbilled revenue	-	-	-	-	-	-	-
Total	18,963.63	9,224.01	1,141.54	153.56	79.53	161.59	29,723.86
Loss Allowance	34.13	62.48	197.96	66.35	70.52	160.88	592.32

As at March 31, 2024

Particulars	In ₹ Million						
	Not yet due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Receivables							
(a) Considered good	21,906.22	8,443.87	731.27	892.02	322.07	90.89	32,386.35
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	80.45	9.16	0.01	0.09	3.41	48.56	141.68
Unbilled revenue	-	-	-	-	-	-	-
Disputed Receivables							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Unbilled revenue	-	-	-	-	-	-	-
Total	21,986.67	8,453.03	731.28	892.11	325.48	139.45	32,528.03
Loss Allowance	385.30	38.71	8.71	107.94	92.28	125.67	758.61

The amount repayable under the bill discounting arrangement is presented as borrowing. The relevant carrying amounts are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Transferred receivables	4,572.27	4,060.89
Associated borrowing from bank [Refer note 18]	4,581.67	4,060.89

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

13. CASH AND BANK BALANCES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalent		
Balances with banks:		
In cash credit and current accounts	5,204.60	7,808.01
Deposits with original maturity of less than three months**	1,003.06	5,342.72
Cash on hand	2.69	2.37
Total	6,210.35	13,153.10
Other bank balances		
Earmarked balances (on unclaimed dividend accounts and unspent CSR accounts)	193.46	119.07
Other earmarked balances^	5,500.00	-
Deposits with original maturity of less than twelve months*#	1,009.95	3,627.05
Total	6,703.41	3,746.12

Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company and earn interest at the respective deposit rates.

- * Includes deposits of ₹ 265.29 million (March 31, 2024: ₹ 16.22 million) under bank lien for bank guarantees issued.
- ** Interest accrued is included in the carrying value of deposits with orginal maturity of less than three months for FY 2024-25 and FY 2023-24.
- # Includes deposits of ₹ 1.43 million (March 31, 2024: ₹ 1.36 million) held as security for various government authorities.
- ^ Unutilised funds from QIP for the purpose of acquisition of AAM India Manufacturing Corporation Private Limited parked in Fixed deposit with bank.

14. OTHER ASSETS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current (Unsecured, considered good)		
Capital advances	2,126.30	7,229.71
Balances with government authorities	1,140.14	939.79
Government grants\$	82.59	74.46
Advances to suppliers	117.89	122.17
Total	3,466.92	8,366.13
Current (Unsecured, considered good)		
Balances with government authorities	5,486.58	3,729.84
Government grants\$	220.16	256.44
Advance to suppliers	1,888.71	1,619.41
Others*	1,701.13	1,797.33
Total	9,296.58	7,403.02

- * Includes prepaid expenses, sundry debit balances etc.
- \$ Includes receivables against various schemes of export incentives. There are no unfulfilled conditions or other contingencies attached to the said government grants.

No advances are due from directors or other officers of the Group, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person except as disclosed in note 45.

For terms and conditions relating to related party receivables, Refer note 48.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

14. OTHER ASSETS (CONTD.)

Break up of financial assets carried at amortised cost

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Investments [Refer note 7]	3,995.44	2,692.72
Loans [Refer note 8]	224.68	261.59
Other financial assets [Refer note 10]	2,652.60	1,087.88
Trade receivables [Refer note 12]	29,131.54	31,769.42
Cash and cash equivalents [Refer note 13]	6,210.35	13,153.10
Other bank balances [Refer note 13]	6,703.41	3,746.12
Total	48,918.02	52,710.83

Break up of financial assets carried at fair value through OCI

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Investments [Refer note 7]	4,314.17	4,330.26
Derivative instruments [Refer note 9]	872.96	1,832.06
Total	5,187.13	6,162.32

Break up of financial assets carried at fair value through profit and loss

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Investments [Refer note 7]	11,359.75	10,840.53
Derivative instruments [Refer note 9]	16.63	143.57
Total	11,376.38	10,984.10

15. EQUITY SHARE CAPITAL

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Authorised shares (No.)		
975,000,000 (March 31, 2024: 975,000,000) equity shares of ₹ 2/- each	1,950.00	1,950.00
43,000,000 (March 31, 2024: 43,000,000) cumulative non convertible preference shares of ₹ 10/- each	430.00	430.00
2,000,000 (March 31, 2024: 2,000,000) unclassified shares of ₹ 10/- each	20.00	20.00
Issued (No.)		
478,268,492 (March 31, 2024: 465,768,492) equity shares of ₹ 2/- each	956.54	931.54
Subscribed and fully paid-up (No.)		
478,088,632 (March 31, 2024: 465,588,632) equity shares of ₹ 2/- each	956.18	931.18
Add:		
172,840 (March 31, 2024: 172,840) forfeited equity shares comprising of 15,010 equity shares (March 31, 2024: 15,010) of ₹ 2/- each (amount partly paid ₹ 1/- each) and 157,830 equity shares (March 31, 2024: 157,830) of ₹ 2/- each (amount partly paid ₹ 0.50 each)	0.09	0.09
Total subscribed and paid-up share capital	956.27	931.27

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

15. EQUITY SHARE CAPITAL (CONTD.)

(a) Terms/rights attached to equity shares

The Holding Company has only one class of issued equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2025		As at March 31, 2024	
	No.	In ₹ Million	No.	In ₹ Million
At the beginning of the year	465,588,632	931.18	465,588,632	931.18
Issue of share through QIP [Refer note c]	12,500,000	25.00	-	-
Outstanding at the end of the year	478,088,632	956.18	465,588,632	931.18

(c) The Holding Company raised capital of ₹ 16,500 million through Qualified Institutions Placement (“QIP”) of equity shares. The Investment Committee constituted by Board of Directors of the Holding Company, at its meeting held on December 09, 2024, approved the allotment of 12,500,000 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 1,320 per equity share (including a premium of ₹ 1,318 per equity share). The objectives of the QIP were repayment/prepayment of certain borrowings availed by certain subsidiaries, proposed acquisition of the equity shares of AAM India Manufacturing Corporation Private Limited, including all associated costs in relation to the proposed acquisition and general corporate purposes. Out of the total proceeds, ₹ 10,999.61 million was utilised during the period for repayment/prepayment of certain borrowings, general corporate purpose and expenses attributable to QIP issue. The unspent amount of ₹ 5,500 million has been placed in fixed deposits with banks and ₹ 0.39 million in the Holding Company's monitoring account. The equity shares issued as a result of QIP have been considered in calculating earnings per share (EPS) for year ended March 31, 2025.

(d) Disclosure of shareholding of promoter and promoter group

Name of the promoter/promoter group member	Number of shares held at March 31, 2025	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.14%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.68%	-
Ajinkya Investment & Trading Company	14,981,850	3.13%	-
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	0.02%
Kalyani Investment Company Limited	63,312,190	13.24%	-
BF Investments Limited	15,614,676	3.27%	-
Rajgad Trading Company Private Limited	1,360,260	0.28%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

15. EQUITY SHARE CAPITAL (CONTD.)

Name of the promoter/promoter group member	Number of shares held at March 31, 2025	% of total shares	% Change during the year
Yusmarg Trading and Investment Private Limited	1,847,000	0.39%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Janhavi Investment Private Limited	4,686,640	0.98%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.23%	-
Campanula Investment & Finance Limited	739,980	0.15%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.21%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

Name of the promoter/promoter group member	Number of shares held at March 31, 2024	% of total shares	% Change during the year
Promoter			
Babasaheb Neelkanth Kalyani	78,150	0.02%	-
Promoter group			
Amit Babasaheb Kalyani	700,350	0.15%	-
Deeksha Amit Kalyani	50	0.00%	-
Gaurishankar Neelkanth Kalyani	690,440	0.15%	-
Rohini Gaurishankar Kalyani	101,460	0.02%	-
Sheetal Gaurishankar Kalyani	22,980	0.00%	-
Viraj Gaurishankar Kalyani	22,800	0.00%	-
KSL Holdings Private Limited	46,285,740	9.94%	-
Ajinkya Investment & Trading Company	14,981,850	3.22%	-
Sundaram Trading and Investment Private Limited	55,240,174	11.86%	-
Kalyani Investment Company Limited	63,312,190	13.60%	-
BF Investments Limited	15,614,676	3.35%	-
Rajgad Trading Company Private Limited	1,360,260	0.29%	-
Tangmarg Trading and Investment Private Limited	904,200	0.19%	-
Yusmarg Trading and Investment Private Limited	1,847,000	0.40%	-
Kalyani Consultants Private Limited	936,472	0.20%	-
Jannhavi Investment Private Limited	4,686,640	1.01%	-
Dronacharya Trading and Investment Private Limited	152,980	0.03%	-
Cornflower Investment & Finance Limited	533,900	0.11%	-
Dandkaranya Trading and Investment Private Limited	1,107,350	0.24%	-
Campanula Investment & Finance Limited	739,980	0.16%	-
Hastinapur Trading and Investment Private Limited	178,800	0.04%	-
Kalyani Export & Investment Pvt Ltd	1,003,240	0.22%	-
Aboli Investment Pvt Ltd	127,872	0.03%	-
Wathar Investment & Trading Co. Pvt Ltd	61,320	0.01%	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

15. EQUITY SHARE CAPITAL (CONTD.)

(e) Shares held by the Holding/ultimate the Holding company and/or their subsidiaries/associates

The Company being the ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No.	% of Holding	No.	% of Holding
Equity Shares of ₹ 2/- each fully paid				
Kalyani Investment Company Limited	63,312,190	13.24%	63,312,190	13.60%
Sundaram Trading and Investment Private Limited	55,252,924	11.56%	55,240,174	11.87%
KSL Holding Private Limited	46,285,740	9.68%	46,285,740	9.94%

(g) Shares reserved for issue under option

Particulars	As at March 31, 2025	As at March 31, 2024
4,682 (March 31, 2024: 4,680) equity shares of ₹ 2/- each out of the bonus issue and previous issue of equity shares on a right basis together with 234 (March 31, 2024: 234) detachable warrants entitled to subscription of 2,340 (March 31, 2024: 2,340) equity shares of ₹ 2/- each, have been kept in abeyance and reserve for issue pending adjudication of title to the pre-right holding.	7,020.00	7,020.00

(h) Global depository receipts

The Company had issued 3,636,500 equity shares of ₹ 10/- each (later sub-divided into 18,182,500 equity shares of ₹ 2/- each) in April 2005 represented by 3,636,500 Global Depository Receipts (GDR) (on sub division 18,182,500 GDRs) evidencing "Master GDR Certificates" at a price of USD 27.50 per GDR (including premium). GDRs outstanding as at year end are Nil (March 31, 2024: 800). The funds raised had been utilised towards the object of the issue.

Holders of GDRs had no voting rights or other direct rights of a shareholder with respect to the shares underlying the GDR. Since the GDR holding had been substantially lower down, the termination of the GDR program had been initiated effective from January 15, 2024 and the GDRs had been delisted from the Luxembourg Stock Exchange with effect on January 16, 2024.

16. OTHER EQUITY

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Capital reserves		
Special capital incentive [Refer note 16(a)]		
Opening balance	2.50	2.50
Closing balance	2.50	2.50
Warrants subscription money [Refer note 16(b)]		
Opening balance	13.00	13.00
Closing balance	13.00	13.00
Closing balance	15.50	15.50
Carried over	15.50	15.50

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

16. OTHER EQUITY (CONTD.)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Brought over	15.50	15.50
Securities premium [Refer note 16(c)]		
Opening balance	6,930.89	6,930.89
Premium on allotment of equity shares [Refer note 15(a)]	16,475.00	-
Expenses on allotment of equity shares	(302.67)	-
Closing balance	23,103.22	6,930.89
Employee stock option outstanding [Refer note 16(d)]		
Opening balance	127.36	37.40
Add: Compensation options granted during the year	-	89.96
Closing balance	127.36	127.36
General reserve [Refer note 16(e)]		
Opening balance	3,230.48	3,230.48
Closing balance	3,230.48	3,230.48
Retained earnings in the statement of profit and loss [Refer note 16(f)]		
Opening balance	56,757.59	51,140.41
Add:		
-Net profit for the year	9,411.53	9,511.28
-Items of other comprehensive income:		
(1) Re-measurement of defined benefit obligations	(136.09)	(169.39)
Less:		
-Final equity dividend of previous year	3,026.33	2,560.74
-Interim equity dividend for current year	1,195.22	1,163.97
Closing balance	61,811.48	56,757.59
Cash flow hedge reserve [Refer note 2.3 (u)]		
Opening balance	1,351.85	1,240.42
Add: Arising during the year	57.48	1,018.33
Less: Adjusted during the year	850.06	906.90
Closing balance	559.27	1,351.85
Foreign currency translation reserve (FCTR) [Refer note 2.3 (d)]		
Opening balance	1,575.33	1,471.83
Add: Arising during the year	432.60	103.50
Closing balance	2,007.93	1,575.33
Non-controlling interest reserve		
Opening balance	(148.19)	(148.19)
Closing balance	(148.19)	(148.19)
Equity instruments through other comprehensive income		
Opening balance	929.76	2,205.25
Add: (Adjusted)/Arising during the year	(59.74)	(1,275.49)
Closing balance	870.02	929.76
Total:	91,577.07	70,770.57

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

16. OTHER EQUITY (CONTD.)

(a) Special capital incentive:

Special capital incentive has been created during the financial year 1999-2000, amounting to ₹ 2.50 million under the 1988 Package Scheme of Incentives.

(b) Warrants subscription money:

The Holding Company had issued and allotted to Qualified Institutional Buyers, 10,000,000 equity shares of ₹ 2/- each at a price of ₹ 272/- per share aggregating to ₹ 2,720 million on April 28, 2010, simultaneous with the issue of 1,760, 10.75% Non Convertible Debentures (NCD) of a face value of ₹ 1,000,000/- at par, together with 6,500,000 warrants at a price of ₹ 2/- each entitling the holder of each warrant to subscribe for 1 equity share of ₹ 2/- each at a price of ₹ 272/- at any time within 3 years from the date of allotment. Following completion of three years term, the subscription money received on issue of warrants was credited to capital reserve as the same is not refundable/adjustable. Further the warrants had lapsed and ceased to be valid from April 28, 2013.

(c) Securities premium account:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(d) Employee stock option outstanding

One of the subsidiaries in India has issued equity settled stock options to its employees. Refer note 58 for details.

(e) General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(f) Retained Earnings

Surplus in the statement of profit and loss represents the undistributed profits of the group accumulated as on Balance Sheet date.

17. DISTRIBUTION MADE AND PROPOSED TO BE MADE

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Cash dividends on equity shares declared and paid:		
Final dividend		
For the year ended on March 31, 2024: ₹ 6.50 per share (March 31, 2023: ₹ 5.50 per share)	3,026.33	2,560.74
Interim dividend		
During the year ended on March 31, 2025: ₹ 2.50 per share (March 31, 2024: ₹ 2.50 per share)	1,195.22	1,163.97
Proposed dividend on equity shares:		
Final dividend		
For the year ended on March 31, 2025: ₹ 6.00/- per share (March 31, 2024: ₹ 6.50/- per share)	2,868.53	3,026.33

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at year end.

The Holding Company has complied with the provisions of Section 123 of the Companies Act 2013 related to dividend declared and dividend paid.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

18. BORROWINGS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current borrowings		
- Debentures		
5.97% Rated unsecured non-convertible debentures [Refer note 18(c)]	-	2,495.81
5.80% Rated Unsecured Non-Convertible Debentures [Refer note 18(d)]	-	1,996.99
7.80% Rated Unsecured Non-Convertible Debentures [Refer note 18(e)]	1,246.59	1,245.04
- Term loans from banks		
Foreign currency term loans (other than Rupee loans) (secured)		
On bilateral basis [Refer note 18(a)]	5,545.68	3,978.08
Foreign currency term loans (other than Rupee loans) (unsecured)		
On bilateral basis [Refer note 18(a)]	-	1,332.77
Rupee term loans (secured)		
On bilateral basis [Refer note 18(b)(i)]	1,053.79	502.25
Rupee term loans (unsecured)		
On bilateral basis [Refer note 18(b)(ii)]	5,347.60	7,038.86
Total	13,193.66	18,589.80
Current borrowings		
- Debentures- current maturity		
5.97% Rated unsecured non-convertible debentures [Refer note 18(c)]	2,495.55	1,493.41
5.80% Rated Unsecured Non-Convertible Debentures [Refer note 18(d)]	1,999.88	-
- Current maturity of term loans from banks		
Foreign currency term loans (other than Rupee loans) (secured)		
On bilateral basis [Refer note 18(a)]	-	1,415.57
Foreign currency term loans (other than Rupee loans) (unsecured)		
On bilateral basis [Refer note 18(a)]	1,365.89	2,769.62
Rupee term loans (secured)		
On bilateral basis [Refer note 18(b)]	358.33	336.33
Rupee term loans (unsecured)		
On bilateral basis [Refer note 18(b)]	400.00	-
- From banks		
- Foreign currency loans		
Preshipment credit (secured) [Refer note 18(f)(i)]	6,051.59	2,525.57
Preshipment packing credit (unsecured) [Refer note 18(f)(i)]	189.12	407.87
Cash credit (secured) [Refer note 18(f)(iv)]	15,218.56	-
Bill discounting with banks (secured) [Refer note 18(f)(ii)]	14,109.60	12,663.49
Bill discounting with banks (unsecured) [Refer note 18(f)(ii)]	6,372.65	7,295.82
Interest accrued but not due on borrowings	155.00	-
- Rupee loans		
Preshipment credit (secured) [Refer note 18(f)(i)]	-	3,550.00
Preshipment credit (unsecured) [Refer note 18(f)(i)]	-	400.00
Cash credit (secured) [Refer note 18(f)(iv)]	692.82	23,138.28
Bill discounting with banks (unsecured) [Refer note 18(f)(ii)]	47.16	49.32
Interest accrued but not due on borrowings	214.35	564.65
- From related parties		
Loans from companies and directors (unsecured)	19.71	21.02
Total	49,690.21	56,630.95
Total secured loans	43,030.37	48,109.57
Total unsecured loans	19,853.50	27,111.18
Total	62,883.87	75,220.75

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

Changes in liabilities arising from financing activities

Particulars	In ₹ Million	
	Current borrowings	Non-current borrowings
Balance as on April 1, 2023	51,010.61	17,512.72
Net cash flows	(594.51)	7,054.98
Foreign exchange management	197.31	27.61
Reclassified from non-current to current	6,014.93	(6,014.93)
Others	2.61	9.42
Balance as on March 31, 2024	56,630.95	18,589.80
Net cash flows	(14,394.39)	1,091.71
Foreign exchange movement	800.20	130.02
Reclassified from non-current to current	6,619.64	(6,619.64)
Others	9.78	1.77
Balance as on March 31, 2025	49,690.21	13,193.66

(a) Term loans

Foreign currency term loans on syndicated and bilateral basis (Secured & unsecured)

Repayable in half yearly/yearly instalments along with interest ranging from LIBOR + 60 bps to LIBOR + 100 bps p.a., EURIBOR + 60 bps to EURIBOR + 64 bps p.a. and SOFR + 60 bps to SOFR + 116 bps.

Date of repayment	Repayment schedule			
	As at March 31, 2025		As at March 31, 2024	
	USD in Million	In ₹ Million	USD in Million	In ₹ Million
From				
- December, 2022 (18 months instalment over 3 years)	-	-	32.00	2,664.32
- July, 2027 (Quarterly instalment for 17 quarters)	35.00	2,995.35	-	-
- September, 2027 (3 Yearly instalment over 2 years)	30.00	2,567.44	-	-
- December, 2024 (Quarterly instalment for 12 quarters)	-	-	14.50	1,127.72
In				
- December 2024	16.00	1,365.89	-	-

Date of repayment	Repayment schedule			
	As at March 31, 2025		As at March 31, 2024	
	EUR in Million	In ₹ Million	EUR in Million	In ₹ Million
From				
- May, 2022 (Yearly instalment over 3 years)	-	-	16.00	1,438.07
- June 21 (Half yearly instalment for 8 half years)	-	-	2.25	202.99
- January 23 (Monthly instalment for 16 months)	-	-	7.43	670.32
- April 2021 (Quarterly instalment for 32 quarters)	-	-	23.29	2,101.17
- December 2023 (Monthly instalment for 12 months)	-	-	0.46	41.50

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

(a) Term loans are secured against general property, plant and equipment and specific property, plant and equipment of the Group.

(b) (i) Rupee term loan on bilateral basis (Secured)

Repayable in 84 monthly instalments from date of start of repayment, along with interest at base rate + 3.45%. The loan is secured against land and guarantee given by directors of the concerned subsidiary.

(ii) Rupee term loan (unsecured)

During the Financial year 2022-23, the Company had availed the term loan of ₹ 2,000 million @ 5.90% p.a. from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
From		
- June 2025 (Yearly instalment over 3 years)	2,000.00	2,000.00

(iii) Rupee term loan (unsecured)

During the previous year, the Company has availed the term loan of ₹ 3,750 million @ 3 Month T-Bill + 95 bps from bank.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
From		
- February 2027 (Yearly instalment over 3 years)	3,747.60	3,749.99

(c) Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.97% p.a.

The Holding Company has issued 5,000 5.97% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on private placement basis.

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/ Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the Debentures along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
From		
- August 2024 (Yearly instalment over 2 years)	-	4,000.00
In		
- August 2025	2,500.00	-

(d) Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 5.80% p.a.

During the Financial year 2022-23, the Holdiing Company issued 2,000 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 1,000,000/- each on private placement basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/ Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
In		
- April 2025	2,000.00	2,000.00

- (e) **Unsecured Non-convertible debentures (NCDs) Repayable in yearly instalments along with interest of 7.80% p.a.**
During the previous year, the Company issued 12,500 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures having face value of ₹ 100,000/- each on private placement basis.

In the event of rating downgrade of the Debenture to A+ or below or suspension/withdrawal of the rating of the Issuer/ Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the NCDs along with other monies/accrued interest due in respect thereof.

Date of repayment	Repayment schedule	
	As at March 31, 2025	As at March 31, 2024
	In ₹ Million	In ₹ Million
In		
- March 2027	1,250.00	1,250.00

- (f) **Working capital loans**
- (i) **Preshipment packing credit**
The loan is secured against hypothecation of inventories (Refer note 11) and trade receivables (Refer note 12)

Preshipment credit - Rupee (secured and unsecured) is repayable within 90 days and carries interest @ 7.00% to 8.50% p.a.

Pre-shipment credit - foreign currency (Euro) (secured and unsecured) is repayable within 90 days to 180 days and carries interest @ SOFR/EURIBOR + 55 bps to SOFR/EURIBOR + 120 bps p.a. respectively.
- (ii) **Bill discounting with banks**
The loan is secured against hypothecation of inventories (Refer note 11) and trade receivables (Refer note 12).

Bill discounting (secured and unsecured) with banks is repayable within 30 to 210 days.

Rupee and Foreign (Euro) bill discounting (secured and unsecured) with banks carries interest @ 7.00% p.a. to 8.15% p.a. and SOFR + 55 bps to SOFR + 130 bps p.a. & EURIBOR + 55 bps to EURIBOR + 130 bps p.a. respectively.
- (iii) **Overdraft facility (Foreign currency) (secured)**
During the previous year the loan was secured against hypothecation of inventories and trade receivables.

Overdraft is repayable on demand and carries interest at EURIBOR/LIBOR/SOFR + 1.5% to 3% per annum
- (iv) **Cash credits (secured)**
The loan is secured against hypothecation of inventories and trade receivables.

Cash credit is repayable on demand and carries interest @ 3.50% to 6.00% per annum.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

18. BORROWINGS (CONTD.)

- (g) **Loan availed for specific purpose and their utilisation for specified purpose:**
During the previous year, the Holding Company had availed of unsecured rupee term loan and issued listed, rated, unsecured, redeemable, non-convertible debentures on a private placement basis. Proceeds from the said term loan had been partially utilised for the intended purpose and the balance amount had been parked in a designated bank account. Proceeds from non convertible debentures pending utilisation had been parked in fixed deposit with a bank.
- (h) **Working capital facilities and statements filed with bank**
Companies of the group have availed working capital facilities from banks in form of packing credit, bill discounting and cash credit. These companies have filed the quarterly statements with banks with regard to the securities provided against such working capital facilities on periodic basis. The statements filed by the respective company's are in agreement with the books of accounts of the respective Company. The Holding Company has been sanctioned a fund based limit of ₹40,080 million and non-fund based limit of ₹ 7,250 million as on March 31, 2025 and (fund based limit of ₹ 34,080 million and non-fund based limit of ₹ 7,250 million as on March 31, 2024) in respect of working capital facilities by its bankers.
- (j) None of the Indian companies in the Group has been declared as wilful defaulter by any bank or financial institution or government or any government authority.

19. OTHER FINANCIAL LIABILITIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Other non-current financial liabilities at amortised cost		
Voluntary retirement scheme compensation	31.05	115.82
Derivative liability	32.50	32.50
Security deposits	131.83	104.77
Total	195.38	253.09
Other current financial liabilities at amortised cost		
Payables for capital goods	855.03	1,304.32
Security deposits	211.71	221.39
Directors commission	31.00	7.50
Investor Education and Protection Fund (as and when due)#		
- Unpaid dividend	109.45	35.16
- Unpaid matured deposits	0.04	0.04
Voluntary retirement scheme compensation	84.50	168.49
Payable to Customers	211.15	-
Others***	151.16	77.51
Total	1,654.04	1,814.41

The Holding Company has declared interim as well as final dividend in past years. Though a large portion of this dividend has been paid to members of the Company, an amount of ₹ 0.13 Million (March 31, 2024: ₹ 0.13 Million) has been pending over the period. Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the unclaimed dividend shall be remitted online to Investor Education and Protection Fund (‘IEPF’) along with a Statement in relevant form, containing details of shareholders. Considering that all the particulars required for filing are not available, the Holding Company has not transferred the unclaimed dividend to IEPF and the relevant funds are available in separate banks accounts (Refer Other Bank Balances in note 13).

*** Others include commission payable and other liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

19 (A). DERIVATIVE INSTRUMENTS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	67.45	7.79
Total	67.45	7.79
Current		
Cash flow hedges (FVTOCI)		
Foreign currency forward contracts	48.00	9.32
Derivatives not designated as hedge (FVTPL)		
Cross currency swap	89.57	-
Total	137.57	9.32

Derivative instruments at fair value through OCI reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US Dollars (USD) and Euro (EUR). Derivative instruments at fair value through profit or loss reflect the negative change in fair value of EUR/INR and foreign currency forward contracts to hedge exposure to changes in the fair value of underlying Euro liability.

Derivative instruments not designated as hedge reflect the negative change in cross currency swaps through which the Holding Company has converted two of its long-term INR Non-Convertible Debentures and one of its term loan into a Euro.

20. PROVISIONS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Provisions for employee benefits		
Provision for gratuity [Refer note 40]	351.54	215.60
Provision for special gratuity [Refer note 40]	198.27	186.64
Provision for leave benefits	19.16	23.74
Provision for pension and similar obligation [Refer note 40]	1,298.95	1,139.62
Provision for jubilee scheme [Refer note 40]	69.13	72.98
Provision for early retirement [Refer note 40]	70.99	48.56
Provision for employee's provident fund [Refer note 40]	71.85	0.32
Provision for manpower cost optimisation & other benefits	112.36	119.38
Total	2,192.25	1,806.84
Current		
Provisions for employee benefits		
Provision for gratuity [Refer note 40]	154.92	127.59
Provision for special gratuity [Refer note 40]	12.79	11.70
Provision for leave benefits	747.63	728.26
Provision for pension and similar obligation [Refer note 40]	53.35	14.02
Provision for manpower cost optimisation & other benefits	71.99	113.68

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

20. PROVISIONS (CONTD.)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Other Provisions		
Provision for warranties**	842.06	456.01
Provision for commitment	62.26	40.46
Provision for onerous contracts*	0.86	8.39
Total	1,945.86	1,500.11

* In case of one of the subsidiaries of the Group, the erstwhile management had entered into contracts with various customers, which have been classified as onerous on account of cost overruns and delays in timely execution. Accordingly, a provision for expected losses on such contracts has been recognised to the extent of present obligation under the contract.

** **Provision for warranties**
Provision for assurance type warranties predominantly cover risk arising from expected claims for damages on the products sold by the Company, based on expectation of the level of repairs for the components. Provisions related to these assurance-type warranties are recognised when the product is sold to the customer and are accounted for as warranty provisions. This claims are expected to be settled in next financial year.

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	456.01	-
Arising during the year	391.45	456.01
Utilised during the year	(5.40)	-
At the end of the year	842.06	456.01

Provision for onerous contracts

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	8.39	11.36
Add: Provision made during the year	-	-
Less: Provision reversed during the year	(7.53)	(2.97)
Balance at the end of the year	0.86	8.39

Provision for manpower cost optimisation & other benefits

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening balance	233.06	226.10
Add: Created during the year	-	10.20
Less: Utilised/reversed during the year	(49.83)	(44.48)
Less: Foreign currency transaction reserve	1.12	41.24
Closing balance	184.35	233.06

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

21. INCOME AND DEFERRED TAXES

The major components of income tax expense/(income) recognised for the year ended March 31, 2025 and March 31, 2024 are:

Statement of profit and loss:

Profit or loss section

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Current income tax:		
Current income tax charge	5,994.80	5,690.69
Tax for prior years	(146.26)	-
Deferred tax		
Relating to origination and reversal of temporary differences	(423.04)	(402.36)
Income tax expense reported in the statement of profit and loss	5,425.50	5,288.33

OCI section

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred tax related to items recognised in OCI:		
Net movement on cash flow hedges	(267.78)	38.81
Net loss on re-measurement of defined benefit plans	(46.81)	(59.45)
Net (loss)/gain on FVTOCI equity securities	(5.57)	224.43
Tax charged/(credit) to OCI	(309.02)	(245.07)

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Accounting profit before tax from operations	14,558.25	14,389.92
Accounting profit before income tax		
At India's statutory income tax rate of 25.168% (March 31, 2024: 25.168%)	3,664.02	3,621.66
Exceptional items	-	59.12
Tax impact of losses on which deferred tax asset is not recognised	1,622.12	1,672.51
Effect of differential rates	68.37	32.62
Adjustments in respect of reversal of tax expenses of earlier years	(146.26)	(162.92)
Other disallowances (including consolidation adjustments)	217.26	65.34
At the effective income tax rate of 37.26% (March 31, 2024: 38.53%)	5,425.50	5,288.33
Income tax expense reported in the statement of profit and loss	5,425.50	5,288.33

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

21. INCOME AND DEFERRED TAXES (CONTD.)

Major components of deferred tax as at March 31, 2025 and March 31, 2024:

Deferred tax liability (net)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	1,602.97	1,855.58
Right-of-use Assets related	689.02	-
Fair valuation of cash flow hedges	188.01	455.79
Fair valuation of FVTOCI equity securities	236.42	227.78
Temporary differences in accounting treatment as required by Income tax standards	(1,518.14)	(848.66)
Total deferred tax liability	1,198.28	1,690.49

Deferred tax asset (net)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	86.35	81.65
Lease liabilities related	(790.23)	-
Temporary differences in accounting treatment as required by Income tax standards	114.21	(420.63)
Unrealised profit on inventory	(1,311.76)	(1,312.66)
Total deferred tax asset	(1,901.43)	(1,651.64)

Major components of deferred tax for the year ended March 31, 2025 and March 31, 2024:

Deferred tax expense/(income)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred tax relates to the following:		
Property, plant and equipment and intangible assets	247.91	133.41
Unrealised profit on inventory	0.90	(106.13)
Temporary differences in accounting treatment as required by Income tax standards	(671.85)	(429.64)
Deferred tax expense/(credit)	(423.04)	(402.36)

Reflected in the balance sheet as follows

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	(592.70)	(620.88)
Deferred tax liabilities	1,790.98	2,311.37
Deferred tax liabilities (net)	1,198.28	1,690.49
Deferred tax assets	(1,987.78)	(1,733.29)
Deferred tax liabilities	86.35	81.65
Deferred tax assets (net)*	(1,901.43)	(1,651.64)

* Relates to temporary differences arising in different tax jurisdiction

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

21. INCOME AND DEFERRED TAXES (CONTD.)

Reconciliation of deferred tax liabilities and assets

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Reconciliation of deferred tax liabilities (net)		
Opening balance	1,690.49	2,153.27
Tax (expense) during the period recognised in profit or loss	(195.97)	(270.51)
Deferred tax liabilities on hedge	(267.78)	38.81
Deferred tax liabilities on business combination	-	25.31
Tax income during the period recognised in OCI	(28.46)	(256.39)
Closing balance	1,198.28	1,690.49
Reconciliation of deferred tax assets (net)		
Opening balance	(1,651.64)	(1,495.30)
Tax income/(expense) during the period recognised in profit or loss	(227.07)	(131.85)
Tax (expense)/income during the period recognised in OCI	(12.78)	(27.50)
Other adjustments (including FCTR)	(9.94)	3.01
Closing balance	(1,901.43)	(1,651.64)

- (a) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- (b) The Group has tax losses which arose due to carried forward business losses in India ₹ 4,336.78 million (March 31, 2024: ₹ 2,564.16 million) that are available for offsetting for eight years against future taxable profits of the Group under the head income from business. This loss will expire in eight years from the end of the respective year to which it pertains.
- (c) The Group has tax losses which arose due to carried forward business losses in the USA of ₹ 2,457.95 million (March 31, 2024: ₹ 2,394.55 million) that are available for offsetting for twenty years and ₹ 7,622.66 million (March 31, 2024: ₹ 5,473.05 million) that are available for offsetting indefinitely against future taxable profits under relevant heads of income of the companies in which the losses arose. These losses will expire in various years between tax years 2026 and 2037.
- (d) The Group has tax losses which arose due to carried forward business losses in Sweden of ₹ 2,715.96 million (March 31, 2024: ₹ 2,087.96 million) that are available for offsetting for an indefinite period against future taxable profits under relevant heads of income of the subsidiary in which the losses arose. Also the Group has tax losses which arose due to carried forward business losses in Germany of ₹ 9,698.51 million (March 31, 2024: ₹ 6,245.32 million) that are available for offsetting for an indefinite period against future taxable profits under relevant heads of income of the subsidiaries in which the losses arose.
- (e) During the years ended March 31, 2025 and March 31, 2024, the group entities incorporated in India have not surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961, (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

22. TRADE PAYABLES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Dues to micro enterprises and small enterprises	770.13	530.22
Dues to other than micro enterprises and small enterprises (including related parties payables)	22,671.99	22,091.00
Total	23,442.12	22,621.22

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 60 to 90 days terms.
- Other payables (under note 19 and 23) are non-interest bearing and have an average term of 60 days
- For terms and conditions with related parties, Refer note 48.

Trade payable includes acceptances given by the Group for invoices of its supplier which were financed by the supplier with banks.

The above amount of trade payables is net off certain advances given to suppliers (including Related parties) amounting to ₹ 720 million (March 31, 2024: ₹ 720 million). The Group currently has a legally enforceable right to set off the advance against the respective payables. The Group intends to settle these amounts on a net basis.

For Group's credit risk management processes, Refer note 55.

Trade payables Ageing
As at March 31, 2025

Particulars	In ₹ Million						Total
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	8.87	416.12	344.86	0.28	-	-	770.13
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	4,314.06	5,490.18	11,104.74	1,014.70	243.41	472.44	22,639.52
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	0.01	32.46	32.47
Total	4,322.92	5,906.30	11,449.60	1,014.98	243.42	504.90	23,442.12

* Unbilled represents accrual for expenses

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

22. TRADE PAYABLES (CONTD.)

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	292.46	229.72	7.58	-	0.46	530.22
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	2,495.71	10,584.57	7,784.40	535.14	223.81	434.91	22,058.54
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	13.37	19.09	32.46
Total	2,495.71	10,877.02	8,014.12	542.72	237.18	454.46	22,621.22

* Unbilled represents accrual for expenses

23. OTHER LIABILITIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Contract liabilities		
Advances from customers ^{\$}	404.65	437.48
Deferred Revenue	394.97	-
Government grants*	373.79	421.93
Settlement for anti-trust proceedings	0.01	2,012.01
Others**	2.90	25.01
Total	1,176.32	2,896.43
Current		
Contract liabilities		
Advances from customers ^{\$}	3,916.00	6,267.29
Deferred Revenue	403.04	-
Employee contributions and recoveries payable	624.99	612.61
Statutory dues payable including tax deducted at source [#]	1,267.60	1,123.21
Government grants*	56.31	75.77
Settlement for anti-trust proceedings	2,307.09	451.09
Others**	714.45	624.08
Total	9,289.48	9,154.05

* Government grants include grants and subsidies for investments in property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

** Others include rent received in advance, rent equalisation reserve and miscellaneous liabilities.

^{\$} The contract liabilities primarily relate to the advance consideration received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognised when the control is transferred to the customers.

[#] Includes payables with respect to Goods and Service Tax, Gram Panchayat Tax, With holding taxes, provident fund etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

23. OTHER LIABILITIES (CONTD.)

Government grant-investment subsidies and grants

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening balance	497.70	574.60
Add: Received during the year	-	-
Less: Released to the statement of profit and loss	(75.33)	(81.74)
Less: Foreign currency transaction reserve	7.73	4.84
Closing balance	430.10	497.70

Break up of the financial liabilities at amortised cost

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Borrowings [Refer note 18]	62,883.87	75,220.75
Lease liabilities [Refer note 43]	4,098.72	4,254.55
Other financial liabilities [Refer note 19]	1,849.42	2,035.00
Trade payables [Refer note 22]	23,442.12	22,621.22
Total financial liabilities carried at amortised cost	92,274.13	104,131.52

24. REVENUE FROM OPERATIONS

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products		
- Sale of goods	142,983.44	148,230.08
- Tooling income	903.64	886.92
Total sale of products	143,887.08	149,117.00
Sale of services		
-Job work charges	1,387.36	1,276.74
-Service type warranty	24.61	35.67
Other operating revenues		
- Manufacturing scrap	4,663.15	5,143.67
-Government grants-export incentives [Refer note 10]	1,233.82	1,203.22
-Sale of electricity/REC -Windmills	32.01	44.41
	5,928.98	6,391.30
Total Revenue from operations	151,228.03	156,820.71

Set out below is the amount of revenue recognised from

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Amounts included in contract liabilities at the beginning of the year	1,324.70	319.20
Performance obligations satisfied (or partially satisfied) in previous year	297.74	63.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

24. REVENUE FROM OPERATIONS (CONTD.)

For balances in respect of contract liabilities, Refer note 23 and trade receivables, Refer note 12

For geographical revenue, Refer note 49.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products	143,887.08	149,117.00
Sale of services	1,411.97	1,312.41
Manufacturing scrap	4,663.15	5,143.67
Subtotal:	149,962.20	155,573.08
Add/(less): Adjustments (sales returns, discounts, hedging etc.)	(1,633.53)	(1,358.88)
Revenue as per contracted price	148,328.68	154,214.20

25. OTHER INCOME

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Dividend income from equity securities	8.34	5.67
Net gain/(loss) on fair valuation of financial instruments (FVTPL)	(768.55)	198.46
Net gain on sale of financial instruments	1,415.32	646.46
Government grants*	88.74	154.13
Liabilities/provisions no longer required written back	59.44	156.68
Interest income on assets measured at amortised cost		
-Fixed deposits and others**	691.49	759.64
Rent [Refer note 43(b)]	90.14	43.40
Miscellaneous income***	552.72	309.80
Total	2,137.64	2,274.24

* Includes government grant on pre shipment credit and bill discounting where the Holding Company has availed the benefit of interest equalisation scheme of the Reserve Bank of India. There are no unfulfilled conditions or contingencies attached to these grants.

** Includes interest on account of unwinding of security deposits and interest income on fixed income securities

*** Miscellaneous income includes sundry sale, discount received, miscellaneous recoveries, etc.

26. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year [Refer note 11]	7,482.94	7,256.59
Inventory on acquisition	-	15.10
Add: Purchases	67,113.90	71,595.06
Less: Inventory as at end of the year [Refer note 11]	10,200.61	7,482.94
Total	64,396.23	71,383.81

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

27. DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK IN TRADE, DIES AND SCRAP

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	9,576.99	10,455.38
Finished goods [includes items lying with third parties and items in transit]	12,664.13	10,982.89
Dies and dies under fabrication	236.30	265.97
Scrap	123.49	98.24
	22,600.91	21,802.48
Add: Inventory on acquisition	-	27.38
Inventories at the end of the year (including Inventory on acquisition)	22,600.91	21,829.86
Inventories at the beginning of the year [Refer note 11]		
Work-in-progress [includes items lying with third parties]	10,455.38	9,564.13
Finished goods [includes items lying with third parties and items in transit]	11,010.27	11,839.86
Stock in trade [includes items lying with third parties and items in transit]	-	3.25
Dies and dies under fabrication	265.97	241.19
Scrap	98.24	139.36
	21,829.86	21,787.79
Total	(771.05)	(42.07)

28. EMPLOYEE BENEFITS EXPENSE

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus (including managing and whole time director's remuneration)	16,086.68	15,987.35
Contributions to provident and other funds/scheme (net) [Refer note 40]#	1,857.25	1,474.98
Staff welfare expenses	755.02	1,137.64
Total	18,698.95	18,599.97

Other funds/scheme includes contribution towards early retirement scheme and Employee State Insurance scheme

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The draft rules has been released by The Ministry of Labour and Employment on November 13, 2020. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

29. FINANCE COSTS

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest on bank facilities under ammortised cost method	3,512.09	4,239.69
Exchange differences regarded as an adjustment to borrowing costs**	14.72	(44.12)
Interest on lease liabilities [Refer note 43]	331.42	341.12
Others#	316.70	374.98
Total	4,174.93	4,911.67

** Represents exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Others includes net interest expense on defined benefit plans [Refer note 40] etc.

30. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment [Refer note 3]	7,954.96	7,653.71
Amortisation on other intangible assets [Refer note 5]	152.72	232.50
Depreciation on right of use asset [Refer note 43]	628.51	595.76
Total	8,736.19	8,481.97

31. OTHER EXPENSES

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores, spares and tools	5,692.04	5,977.91
Machining/subcontracting charges	5,068.60	5,259.28
Power, fuel and water*	8,256.32	7,741.98
Less: Credit for energy generated	84.00	77.03
	8,172.32	7,664.95
Repairs and maintenance		
-Building repairs and road maintenance	217.26	245.46
-Plant and machinery	1,991.63	2,419.16
Contract labour charges	2,609.93	2,509.07
Rent [Refer note 43(a)]	268.87	163.03
Rates and taxes	357.48	311.95
Insurance	832.31	333.59
CSR Expenditure	318.90	209.15
Legal and professional fees	1,805.30	1,593.04
Commission	246.71	131.46
Donations#	226.00	4.21
Packing material	1,199.85	1,257.42
Freight and forwarding charges	4,722.33	4,602.49
Carried over	33,729.53	32,682.17

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

31. OTHER EXPENSES (CONTD.)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Brought over	33,729.53	32,682.17
Directors' fees and travelling expenses	31.94	9.41
Commission to directors other than managing and whole time directors	31.00	7.50
Loss on sale/discard of property, plant and equipment (Net)	14.87	35.67
Provision for doubtful debts and advances (includes expected credit loss) (net)	68.52	189.75
Bad debts/advances written off/back (net)	79.91	98.04
Exchange difference (net)**	191.74	81.46
Payment to Auditors***	163.23	181.50
Miscellaneous expenses****	5,335.49	5,563.93
Total	39,646.23	38,849.43

* Net of government grant in the nature of energy tax refund with respect to some of the subsidiaries amounting to ₹ 211.07 million (March 31, 2024: ₹ 228.85 million)

** Includes MTM (gain)/loss of ₹ (80.77) million (March 31, 2024: ₹ (20.65) million)

*** Includes ₹ 135.95 million (March 31, 2024: ₹ 124.63 million) paid to subsidiary auditors

**** Miscellaneous expenses include travelling expenses, printing, stationery, postage, telephone, royalty, warranty etc.

Includes political contributions amounting to ₹ 220 million through an Electoral Trust made under Section 182 of the Companies Act during the year ended March 31, 2025 and Nil for the year March 31, 2024.

Capitalisation of expenditure

The Group has capitalised the following expenses of Property, plant and equipment/capital work in progress(CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest on bank facilities	308.60	27.43
Interest on lease liabilities	-	6.90
Salaries, wages and bonus	90.83	44.63
Depreciation on right of use assets	-	8.58
Consumption of stores and spares and loose tools	-	3.33
Others	-	12.84
Total	399.43	103.71

32. EXCEPTIONAL ITEMS

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Voluntary retirement scheme compensation [Refer note 32(a)]	-	(20.97)
Provision for Impairment of loan given [Refer note 32(b)]	-	(102.26)
Impairment of Goodwill [Refer note 32(c)]	(53.00)	-
Provision for Impairment of electric bike CGU [Refer note 32(d)]	(1,517.65)	-
Total	(1,570.65)	(123.23)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

32. EXCEPTIONAL ITEMS (CONTD.)

(a) Voluntary retirement scheme compensation

The Holding Company announced Voluntary Retirement Schemes (VRS) on April 28, 2022, and January 13, 2023 for its permanent eligible employees who have attained 40 years of age and have completed 10 years of service with the Company. The scheme announced on January 13, 2023 is extended until May 31, 2025, and the amount of expenditure under these schemes is disclosed as an exceptional item.

(b) Provision for impairment of loan given to Tevva Motors Limited

During the previous year, the Group has made provision for impairment of loan given to Tevva Motors Limited basis future projections and revenue market multiple of comparable companies in the similar segment for fair valuation of the entity.

(c) Impairment of Goodwill

During the current year, Kalyani Strategic Systems Limited has recognised impairment loss of ₹ 53 Million on goodwill recognised on acquisition of the embedded systems business.

(d) Impairment of Electric Bike CGU

Kalyani Powertrain Limited (KPTL), a wholly owned subsidiary of the Holding Company holds 64.29% equity shares of Tork Motors Pvt Ltd (TMPL) which is engaged in manufacturing of electric bikes, which is part of a separate cash generating unit (CGU) as defined by Ind AS 36. During the current year, in light of developments in two-wheeler EV market and its adverse impact on TMPL operations, a provision for impairment of ₹ 1,517.65 million has been considered in consolidated financial statements for the year ended March 31, 2025.

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Property Plant & Equipment (Refer note 3)	419.50	-
Goodwill (Refer note 5)	283.42	-
Other intangible assets (Refer note 5)	447.13	-
Inventory	214.12	-
Other Financial Assets	4.56	-
Trade Receivables	7.24	-
Other Assets	141.67	-
Impairment Loss	1,517.65	-

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below:

During the year ended March 31, 2025

Particulars	In ₹ Million					
	Cash flow hedge reserve	FVTOCI Reserve	Retained earnings	Foreign currency translation differences	Income tax/ Deferred tax effect	Total
Currency forward contracts	77.78	-	-	-	(20.30)	57.48
Effective portion of gains/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	(1,138.14)	-	-	-	288.08	(850.06)
Loss on FVTOCI financial assets	-	(51.09)	-	-	(8.65)	(59.74)
Re-measurement gains/(losses) on defined benefit plans (including share of associate, joint ventures)	-	-	(185.98)	-	49.89	(136.09)
Foreign exchange translation difference	-	-	-	432.60	-	432.60
Total	(1,060.36)	(51.09)	(185.98)	432.60	309.02	(555.81)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

33. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI) (CONTD.)

During the year ended March 31, 2024

Particulars	In ₹ Million					
	Cash flow hedge reserve	FVTOCI Reserve	Retained earnings	Foreign currency translation differences	Income tax/ Deferred tax effect	Total
Currency forward contracts	1,360.82	-	-	-	(342.49)	1,018.33
Effective portion of gains/(losses) on hedging instruments in cash flow hedges reclassified to profit or loss	(1,210.58)	-	-	-	303.68	(906.90)
Loss on FVTOCI financial assets	-	(1,493.84)	-	-	218.35	(1,275.49)
Re-measurement gains/(losses) on defined benefit plans (including share of associate, joint ventures)	-	-	(236.20)	-	65.53	(170.67)
Foreign exchange translation difference	-	-	-	103.50	-	103.50
Total	150.24	(1,493.84)	(236.20)	103.50	245.07	(1,231.23)

34. EARNINGS PER SHARE

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Numerator for basic and diluted EPS		
Net profit after tax attributable to owners of parent company (in ₹ million) (A)	9,411.53	9,511.28
Denominator for basic EPS [Refer note 15(b)]		
Weighted average number of equity shares for basic EPS (B)	469,458,495	465,588,632
Denominator for diluted EPS [Refer note 15(b)]		
Weighted average number of equity shares for diluted EPS (C)	469,458,495	465,588,632
Basic earnings per share of face value of ₹ 2 each (in ₹) (A/B)	20.05	20.43
Diluted earnings per share of face value of ₹ 2 each (in ₹) (A/C)	20.05	20.43

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, Group Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

1) Leases

Determining the lease term of contracts with renewal and termination options-Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or to terminate the lease. Accordingly, it considers all relevant factors that create an economic incentive for it to exercise either the renewal

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

1) Leases (contd.)

or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e. three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 43 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Property lease classification–Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

2) Derivative contracts

The Holding company enters into foreign exchange forward contracts to hedge its exposure of foreign currency risk of highly probable forecasted sales. The outstanding contracts at each reporting date are measured at fair value through OCI and derivative assets/liabilities is recognised accordingly. Due to the changes in risks and estimates during the lifecycle of the customer contracts, in order to apply hedge accounting, management is required to demonstrate that the underlying contract is considered to be a highly probable transaction and that the hedges are highly effective and maintain hedge documentation. Management has exercised judgement to determine that the underlying contracts are highly probable and accordingly the hedge is effective.

3) Embedded derivative

The Group has entered into certain hybrid contracts i.e. where an embedded derivative is a component of a non-derivative host contract, in the nature of financial liability. The Group has exercised judgement to evaluate if the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host. Based on the evaluation, the Group has concluded, that these economic characteristics and risks of the embedded derivatives are closely related to the economic characteristics and risks of the host and thus not separated from the host contract and not accounted for separately.

4) Control assessment for Joint ventures

In assessing the power over investee for control evaluation, the Group has exercised judgement in considering certain rights given to the co-venturer in a joint venture arrangement/shareholders' agreement as either substantive rights or protective rights. The Group has evaluated if the rights are designed to protect the interests of their holder without giving that party power over the investee to which those rights relate in which case, it is considered as protective right not considered in the control assessment for joint ventures. Also, in case of all the joint arrangements, the Group has interest in the net assets of the joint arrangements and accordingly the same is considered as joint ventures. Further, with respect to certain subsidiaries in regulated segments, the Group has evaluated and believes that it exercises control over such subsidiaries in accordance with the terms of the Foreign Direct Investment & Foreign Investment Promotion Board Policies.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

5) Share of profit/loss of Associates and Joint ventures

In case of loss making associates and joint ventures, the Group discontinues to absorb its share of losses once the carrying amount of the relevant investment becomes NIL. However, if there are other long-term interests that in substance form part of the investor's net investment in an associate or joint venture then group continues to absorb its share of losses against such long-term interest. The Group has used judgement to determine if it is legally or constructively obliged to make payments on behalf of the associate or joint venture.

6) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

I. Identifying contract with customers

The Group enters into Master service agreement ('MSA') with its customers which define the key terms of the contract with customers. However, the rates for quantity to be supplied is separately agreed through purchase orders. Management has exercised judgement to determine that contract with customers for the purpose of Ind AS 115 is MSA and customer purchase orders for purpose of identification of performance obligations and other associated terms.

II. Identifying performance obligation

The Group enters into contract with customers for tooling income and sale of goods. The Group determined that both the tooling income and the goods are capable of being distinct. The fact that the Group regularly sells these goods on a standalone basis indicate that the customer can benefit from it on an individual basis. The Group also determined that the promises to transfer these goods are distinct within the context of the contract. These goods are not input to a combined item in the contract. Hence, the tooling income and the sale of goods are separate performance obligations.

III. Determination of timing of satisfaction of performance obligation for sale of products

The Group concluded that tooling income and sale of goods is to be recognised at a point in time because it does not meet the criteria for recognising revenue over a period of time. The Group has applied judgement in determining the point in time when the control of the tooling income and goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices which are as follows:

a. Sale of goods

The goods manufactured are "Build to print" as per design specified by the customer for which the tools/dies are approved before commercial production commences. Further, the dispatch of goods is made on the basis of the purchase orders obtained from the customer taking into account the just in time production model with customer.

b. Tooling income

Tools are manufactured as per the design specified by the customer which is approved on the basis of the customer acceptance of prototypes or sample production. Management has used judgement in identification of the point in time where the tools are deemed to have been accepted by the customer.

7) Factoring arrangement

One of the subsidiaries of the Group has entered into a factoring arrangement. Based on the terms agreed with the counterparty, it is considered to be a non-recourse arrangement and accordingly, respective trade receivable balance has been derecognised as per the terms of the agreements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations

The Group has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cashflows. Legal team regularly analyses current information about these matters and assesses the requirement for provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a law suit or formal assertion of a claim against the group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate. Considering the facts on hand and the current stage of certain ongoing litigations, the Group foresees remote risk of any material claim arising from claims against the Group. Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Holding Company and its subsidiaries.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A. Impairment of non-financial assets including property, plant and equipment, goodwill and other intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators as the case may be.

B. Defined benefit plans

The cost of the defined benefit gratuity plans, other defined benefit plans and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected return on planned assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables based on the country where the entity operates. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates of the respective country.

Further details about defined benefit plans are given in Note 40.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

35. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

8) Litigations (contd.)

C. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 51 for further disclosures.

D. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Group also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Holding Company has investments in associates and joint ventures as at the reporting period. The Management is required to check, at least annually, the existence of impairment indicators for each investment. The evaluation of assessment for impairment and methodology for assessing and determining the recoverable amount of each investments are based on complex assumptions. It involves Management's judgement with respect to identification of impairment indicators for each investment and estimates regarding the projected cash flows, long-term growth rate and discounting rate used in valuation models. A sensitivity analysis is also performed to check the impact of changes in key variable on the valuation. The Management believes that no impairment is required as at the reporting period end based on the procedures performed.

E. Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Further details on taxes are disclosed in note 21.

F. Provision for Inventories

The Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete, slow-moving and items where net realisable value is below cost. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

G. Estimating the incremental borrowing rate to measure lease liability

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

36. GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
			March 31, 2025	March 31, 2024	
1) Bharat Forge Global Holding GmbH and its wholly owned subsidiaries	Holding	Germany	100%	100%	March 31
i. Bharat Forge Holding GmbH and its wholly owned subsidiaries	Holding	Germany	100%*	100%*	March 31
a) Bharat Forge Aluminiumtechnik GmbH	Forging	Germany	100%*	100%*	March 31
ii. Bharat Forge Kilsta AB	Forging	Sweden	100%*	100%*	March 31
iii. Bharat Forge CDP GmbH and its wholly owned subsidiary	Forging	Germany	100%*	100%*	March 31
a) Bharat Forge Daun GmbH	Die Manufacturing	Germany	100%*	100%*	March 31
iv. Mecanique Generale Langroise	Machining	France	100%*	100%*	March 31
2) Bharat Forge America Inc. and its wholly owned subsidiaries	Holding	U.S.A	100%	100%	March 31
i. Bharat Forge PMT Technologie LLC	Forging	U.S.A	100%*	100%*	March 31
ii. Bharat Forge Tennessee Inc.	Others	U.S.A	100%*	100%*	March 31
iii. Bharat Forge Aluminium USA, Inc.	Forging	U.S.A	100%*	100%*	March 31
3) Bharat Forge International Limited	Forging	U.K.	100%	100%	March 31
4) Kalyani Strategic Systems Limited and its subsidiaries	Defence	India	100%	100%	March 31
i. Kalyani Rafael Advanced Systems Private Limited**	Defence	India	50%*	50%*	March 31
ii. Sagar Manas Technologies Limited	Defence	India	51%*	51%*	March 31
iii. Kalyani Strategic Systems Australia Pty Limited\$	Defence	Australia	NA	100%	March 31
iv. Zorya Mashproekt India Private Limited (w.e.f. January 24, 2024)	Defence	India	64.94%*	64.94%*	March 31
5) Kalyani Powertrain Limited and its subsidiaries	Others	India	100%	100%	March 31
i. Kalyani Mobility INC	Machining	U.S.A	100%*	100%*	March 31
ii. Tork Motors Private Limited and its subsidiaries	Others	India	64.29%*	64.29%*	March 31
a) Lycan Electric Private Limited	Others	India	64.29%*	64.29%*	March 31
iii. Electroforge Limited	Others	India	100%*	100%*	March 31

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

36. GROUP INFORMATION (CONTD.)

Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
			March 31, 2025	March 31, 2024	
6) BF industrial Solutions Limited and its wholly owned subsidiaries	Others	India	100%	100%	March 31
i. BF Industrial Technology & Solutions Limited and its subsidiaries	Others	India	100%*	100%*	March 31
a) Sanghvi Europe B.V.	Machining	Netherlands	100%*	100%*	March 31
ii. JS Auto Cast Foundry India Private Limited	Casting	India	100%*	100%*	March 31
7) BF Infrastructure Limited and its subsidiary	Others	India	100%	100%	March 31
i. Ferrovia Transrail Solutions Private Limited	Projects	India	100%*	100%*	March 31
ii. BFIL CEC-JV	Projects	India	74%*	74%*	March 31
8) Kalyani Lightweighting Technology Solutions Limited	Others	India	100%	100%	March 31
9) Kalyani Centre for Precision Technology Limited	Machining	India	100%	100%	March 31
10) BF Elbit Advanced Systems Private Limited**	Others	India	51%	51%	March 31
11) Eternus Performance Materials Private Limited	Others	India	51%	51%	March 31
12) Indigenous IL Limited***	Others	Israel	NA	NA	March 31

* held through subsidiaries
** based on control assessment as per Ind AS 110
*** not consolidated as the company shall stand liquidated w.e.f. May 6, 2025
\$ Deregistered w.e.f. May 26, 2024

Details of the Group's ownership interest in associates are as follows:

Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
			March 31, 2025	March 31, 2024	
1) Talbahn GmbH (not consolidated)	Others	Germany	35%*	35%*	March 31
2) Aeron Systems Private Limited	Others	India	37.14%*	37.14%*	March 31
3) Avaada MHVidarbha Private Limited	Others	India	26%	26%	March 31
4) Edgelab S.p.A. (w.e.f. December 18, 2024)**	Others	Italy	25%	-	December 31

* held through subsidiaries
** Given that the Group acquired the equity interest on December 18, 2024, and the financial year ends on December 31, 2024, the share of profit or loss has not been included for consolidation purposes.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

36. GROUP INFORMATION (CONTD.)

Joint arrangement in which the Group is a joint venturer

Particulars	Principal activities	Principal place of business	% equity interest		Financial year ended on
			March 31, 2025	March 31, 2024	
1) BF Premier Energy Systems Private Limited#	Others	India	NA *	NA *	March 31
2) BF NTPC Energy Systems Limited**	Projects	India	51%	51%	March 31
3) Refu Drive GmbH	Others	Germany	50%	50%	March 31
i) Refu Drive India Private Limited	Others	India	50%	50%	March 31

* held through subsidiaries

During the previous year BF Premier Energy System Pvt. Ltd. has applied with Registrar of companies for removing its name pursuant to section 248(2) of the Company Act 2013 and Rule 4(1) of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 vide form no STK - 2 on March 2, 2023. The said strike off is approved by the Group and also by its JV partner. The entity was struck off w.e.f November 25,2023.

** Shareholders of the Joint Venture Company decided to voluntarily liquidate the joint venture at their EGM held on October 9, 2018

37. MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests based on Consolidated Financial Statements is provided below:

Proportion of equity interest held by non-controlling interests:

Particulars	Country of incorporation	% equity interest	
		March 31, 2025	March 31, 2024
Kalyani Rafael Advanced Systems Private Limited	India	50%	50%
BF Elbit Advanced Systems Limited	India	49%	49%
Eternus Performance Materials Private Limited	India	49%	49%
Tork Motors Private Limited	India	35.71%	35.71%
Lycan Electric Private Limited (Lycan)	India	35.71%	35.71%
Sagar Manas Technologies Limited	India	49%	49%
Zorya Mashproekt India Private Limited	India	35.06%	35.07%

Information regarding non-controlling interest

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Accumulated balances of material non-controlling interest:		
Kalyani Rafael Advanced Systems Private Limited	290.52	220.29
BF Elbit Advanced Systems Limited	(93.39)	(82.52)
Eternus Performance Materials Private Limited	(2.58)	(3.49)
Tork Motors Private Limited (including Lycan)	(522.58)	(184.35)
Zorya Mashproekt India Private Limited	0.92	1.43
Sagar Manas Technologies Limited	(0.42)	(0.12)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Total Comprehensive income allocated to material non-controlling interest:		
Kalyani Rafael Advanced Systems Private Limited	70.23	28.34
BF Elbit Advanced Systems Limited	(10.87)	(9.95)
Eternus Performance Materials Private Limited	0.91	(1.23)
Tork Motors Private Limited (including Lycan)	(338.23)	(428.00)
Zorya Mashproekt India Private Limited	(0.52)	(0.09)
Sagar Manas Technologies Limited	(0.30)	(0.07)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended March 31, 2025

Particulars	In ₹ Million					
	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Reporting periods	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025	April 1, 2024 to March 31, 2025
Revenue	5.90	-	3,180.88	-	12.28	14.81
Other income	0.03	-	53.14	0.01	0.56	0.66
Cost of raw materials and components consumed	-	-	303.52	-	2.85	45.43
Purchase of stock in trade	-	-	2,323.73	-	-	-
(Increase)/decrease in inventories of finished goods, work-in-progress, stock in trade, dies & scrap	-	-	197.87	-	(2.31)	16.94
Employee benefits expense	5.82	-	30.21	-	5.15	92.36
Depreciation and amortisation expense	-	-	22.58	2.01	0.45	41.05
Finance costs	0.02	0.41	6.68	20.05	0.47	54.17
Other expenses	1.56	0.21	158.37	0.14	4.37	45.95
Profit/(loss) before tax and exceptional items	(1.47)	(0.62)	191.06	(22.19)	1.86	(280.43)
Exceptional items	-	-	-	-	-	666.72
Profit/(loss) before tax	(1.47)	(0.62)	191.06	(22.19)	1.86	(947.15)
Tax Expense	-	-	50.60	-	-	-
Profit/(loss) for the year	(1.47)	(0.62)	140.46	(22.19)	1.86	(947.15)
Other Comprehensive Income:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Re-measurement gain/(losses) on defined benefit plans						
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income/(loss)	(1.47)	(0.62)	140.46	(22.19)	1.86	(947.15)
Total Comprehensive Income/(loss) attributable to non-controlling interests	(0.52)	(0.30)	70.23	(10.87)	0.91	(338.23)
Profit/(loss) attributable to non-controlling interests	(0.52)	(0.30)	70.23	(10.87)	0.91	(338.23)
Other comprehensive Income/(loss) attributable to non-controlling interests	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Summarised statement of profit and loss for the year ended March 31, 2024

In ₹ Million						
Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Reporting periods	January 24, 2024 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024	April 1, 2023 to March 31, 2024
Revenue	1.77	-	2,726.26	-	7.00	593.32
Other income	0.09	-	28.34	-	0.00	2.47
Cost of raw materials and components consumed	-	-	414.66	-	5.35	893.04
Purchase of stock in trade	-	-	2,370.37	-	-	-
(Increase)/decrease in inventories of finished goods, work-in-progress, traded goods, dies & scrap	-	-	(250.06)	-	(1.83)	16.98
Employee benefits expense	1.71	-	34.27	-	3.64	336.37
Depreciation and amortisation expense	0.01	-	22.69	2.02	0.30	173.52
Finance costs	-	-	5.45	18.12	0.35	63.75
Other expenses	0.40	0.15	83.42	0.15	1.70	307.04
Profit/(loss) before tax	(0.26)	(0.15)	73.79	(20.29)	(2.51)	(1,194.90)
Income tax	-	-	17.12	-	-	-
Profit/(loss) for the period/year	(0.26)	(0.15)	56.68	(20.29)	(2.51)	(1,194.90)
Other Comprehensive Income/(loss):						
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)						
Re-measurement gain/(loss) on defined benefit plans	-	-	0.04	-	-	(3.63)
Other comprehensive income/(loss) for the year, net of tax	-	-	0.04	-	-	(3.63)
Total comprehensive income/(loss)	(0.26)	(0.15)	56.72	(20.29)	(2.51)	(1,198.53)
Total Comprehensive Income/(loss) attributable to non-controlling interests	(0.09)	(0.07)	28.36	(9.94)	(1.23)	(428.00)
Profit/(loss) attributable to non-controlling interests	(0.09)	(0.07)	28.34	(9.94)	(1.23)	(426.70)
Other comprehensive Income/(loss) attributable to non-controlling interests	-	-	0.02	-	-	(1.30)
Dividend paid to non-controlling interests	-	-	-	-	-	-

** Non-controlling interest is calculated at consolidated level for Tork Motors Private Limited and Lycan Electric Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Summarised balance sheet as at March 31, 2025:

In ₹ Million						
Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited*	Tork Motors Private Limited**
Trade receivables, inventories and cash and bank balances (current)	2.67	-	2,428.87	8.90	14.02	5.75
Property, plant and equipment and other non-current financial and non-financial assets	0.09	-	99.12	13.94	21.13	32.61
Trade and other payables (current) and (non-current)	0.02	(0.87)	(1,952.69)	(20.85)	(14.16)	(1,114.76)
Interest-bearing loans and borrowing and deferred tax liabilities (current) and (non-current)	(0.17)	-	-	(192.59)	(23.37)	(543.15)
Total equity	2.61	(0.87)	575.30	(190.60)	(2.38)	(1,619.55)
Attributable to:						
Equity holders of parent	1.69	(0.45)	284.78	(97.22)	0.20	(1,096.97)
Non-controlling interest	0.92	(0.42)	290.52	(93.39)	(2.58)	(522.58)

Summarised balance sheet as at March 31, 2024:

In ₹ Million						
Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited*	Tork Motors Private Limited**
Trade receivables, inventories and cash and bank balances (current)	8.34	-	2,398.27	8.88	23.68	132.57
Property, plant and equipment and other non-current financial and non-financial assets	0.10	-	154.19	15.96	14.31	846.67
Trade and other payables (current) and (non-current)	(3.93)	(0.26)	(2,117.71)	(3.05)	(18.69)	(1,073.21)
Interest-bearing loans and borrowing and deferred tax liabilities (current) and (non-current)	(0.43)	-	-	(190.18)	(23.54)	(578.43)
Total equity	4.08	(0.26)	434.75	(168.39)	(4.24)	(672.40)
Attributable to:						
Equity holders of parent	2.65	(0.14)	214.46	(85.87)	(0.75)	(488.05)
Non-controlling interest	1.43	(0.12)	220.29	(82.52)	(3.49)	(184.35)

* The share of total equity of non-controlling interest in case of Eternus Performance Materials Private Limited includes accumulated losses for the pre-acquisition period

** Non-controlling interest is calculated at consolidated level for Tork Motors Private Limited and Lycan Electric Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

37. MATERIAL PARTLY OWNED SUBSIDIARIES (CONTD.)

Summarised cash flow information for the year ended March 31, 2025:

In ₹ Million						
Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Operating	(3.13)	-	382.29	(75.41)	1.20	(30.14)
Investing	-	-	(87.15)	-	(0.47)	121.41
Financing	(0.26)	-	(11.37)	75.41	(0.68)	(91.37)
Net increase/(decrease) in cash and cash equivalents	(3.40)	-	283.77	-	0.04	(0.10)

Summarised cash flow information for the year ended March 31, 2024:

In ₹ Million						
Particulars	Zorya Mashproekt India Private Limited	Sagar Manas Technologies Limited	Kalyani Rafael Advanced Systems Private Limited	BF Elbit Advanced Systems Limited	Eternus Performance Materials Private Limited	Tork Motors Private Limited**
Operating	(0.15)	-	391.82	1.81	0.56	(145.15)
Investing	5.44	-	(371.47)	-	(0.25)	(43.14)
Financing	(0.18)	-	(8.38)	(1.81)	(0.03)	170.41
Net increase/(decrease) in cash and cash equivalents	5.11	-	11.97	-	0.28	(17.88)

** Non-controlling interest is calculated at consolidated level for Tork Motors Private Limited and Lycan Electrric Private Limited

38. INTEREST IN JOINT VENTURES

Refu Drive GmbH

The Group has acquired 50% interest in Refu Drive GmbH on September 19, 2019, a joint venture incorporated in Germany, involved in manufacturing and selling on board controllers and components mainly - drives, invertors, convertors (including AC/DC) and all kind of auxiliary applications, related power electronics and battery management (BMS) etc. for all quality of e-mobility vehicles viz, hybrid and electric 2-wheelers, 3-wheelers, cars and commercial vehicles along with its wholly owned subsidiary "Refu India Private Limited, India". The Group's interest in Refu Drive GmbH is accounted for using the equity method in the consolidated financial statements. On August 22, 2024 the Holding Company transferred 12,500 Equity shares having face value Euro 100/- each of Refu Drive GmbH to Kalyani Powertrain Limited at a fair value of Euro 920.74/- per share amounting to ₹ 1,054.15 million in the form of infusin to capital reserve for a consideraion in cash. Further on December 31, 2024 additional investment of ₹ 69.46 million by Kalyani Powertrain Limited. Summarised financial information of the joint venture, based on its consolidated financial statements for the period April 1, 2024 to March 31, 2025 are as follows.

Summarised balance sheet

In ₹ Million		
Particulars	March 31, 2025	March 31, 2024
Current assets	419.17	722.73
Non-current assets	161.77	221.59
Current liabilities	(628.88)	(511.69)
Non-current liabilities	(11.45)	(544.47)
Equity	(59.39)	(111.84)
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	409.26	396.69

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

38. INTEREST IN JOINT VENTURES (CONTD.)

The Group has invested an amount of ₹ 988.63 million (March 31, 2024: ₹ 919.14 million) in equity shares. The Group's Share of equity is ₹ (29.70) million (March 31, 2024: ₹ 55.92 million).

Summarised statement of profit and loss for the year ended:

In ₹ Million		
Particulars	March 31, 2025	March 31, 2024
Income		
Revenue	1,480.19	1,962.01
Other income	112.30	63.40
	1,592.49	2,025.41
Expenses		
Cost of raw material and components consumed	-	216.01
Purchase of stock in trade	798.56	4.88
(Increase)/decrease in inventories of finished goods, work-in-progress, dies and scrap	36.18	874.16
Employee benefits expense	506.29	546.76
Depreciation and Amortisation	47.26	59.26
Finance costs	1.05	20.92
Other expenses	313.14	227.68
	1,702.48	1,949.68
Profit/(Loss) before tax	(109.99)	75.73
Tax expenses	3.72	2.99
Profit/(Loss) for the year	(113.71)	72.74
Other comprehensive income/(loss) for the period	(0.01)	-
Total comprehensive income/(loss) for the period	(113.72)	72.74
Group's share of loss for the period	(56.86)	36.37
Group's share of other comprehensive income/(loss) for the period	(0.01)	-

39. INVESTMENT IN AN ASSOCIATES

1. Aeron Systems Private Limited

The Group owned 22.42% stake in Aeron Systems Private Limited as of March 31, 2020. Further, on August 14, 2020 additional 3.58% stake was acquired to reach 26.00% ownership. Further on March 9, 2021 additional stake of 11.14% was acquired to reach total ownership of 37.14% as of March 31, 2021 as well as March 31, 2022. On February 23, 2023 the Holding Company transferred 136,500 Equity shares having face value ₹ 10/- each of Aeron Systems Private Limited to Kalyani Strategic Systems Limited at a fair value of ₹ 1,005/- per share amounting to ₹ 137.18 million on a private placement basis for a consideraion other than cash and the same shall rank pari passu with existing Equity shares of the Company. Aeron Systems Private Limited is engaged in the business of manufacturing of technology products such as Inertial Navigation Systems (INS) and IoT devices for industries such as Aerospace and Defense, Automotive, Renewable energy and Industry 4.0. The Group's interest in Aeron Systems Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information based on its Ind AS financial statements as follows:

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for the year ended March 31, 2025

39. INVESTMENT IN AN ASSOCIATES (CONTD.)

Summarised Balance sheet

In ₹ Million		
Particulars	March 31, 2025	March 31, 2024
Current assets	516.31	336.72
Non-current assets	273.36	268.46
Current liabilities	(405.08)	(299.32)
Non-current liabilities	(63.00)	(31.23)
Equity	321.59	274.63
Proportion of the Group's ownership	37.14%	37.14%
Carrying amount of the investment	144.36	126.90

The Group has invested an amount of ₹ 140.00 million (March 31, 2024: ₹ 140.00 million) in equity shares. Group's share of equity is ₹ 119.44 million (March 31, 2024: ₹ 102.00 million).

Summarised statement of profit and loss for the year/period ended:

In ₹ Million		
Particulars	March 31, 2025	March 31, 2024
Income		
Revenue from operations	706.51	501.91
Other income	10.31	2.03
	716.82	503.94
Expenses		
Cost of Materials Consumed	373.10	273.65
Changes in inventories	(13.78)	(13.17)
Employee benefit expenses	103.75	73.87
Finance cost	29.55	18.91
Depreciation and amortisation	52.84	43.87
Other expenses	94.91	46.07
Profit before tax	76.45	60.74
Income tax expense		
Current tax	(30.79)	(25.43)
Deferred tax	3.00	(1.95)
Profit for the year	48.66	33.36
Other comprehensive (loss) for the year	(1.63)	(1.03)
Total comprehensive income for the year	47.03	32.33
Group's share of Profit for the year	18.07	12.39
Group's share of other comprehensive income/(loss) for the year	(0.61)	(0.38)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

39. INVESTMENT IN AN ASSOCIATES (CONTD.)

2. Avaada MHVidarbha Private Limited

The Group has acquired 26% stake in Avaada MHVidarbha Private Limited on April 14, 2022. Avaada MHVidarbha Private Limited is involved in Production, collection and distribution of electricity. The Group's interest in Avaada MHVidarbha Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information based on its Ind AS financial statements as follows:

Summarised Balance sheet

In ₹ Million		
Particulars	March 31, 2025	March 31, 2024
Current assets	112.08	96.84
Non-current assets	1,382.79	1,402.23
Current liabilities	(68.42)	(178.67)
Non-current liabilities	(981.42)	(881.25)
Equity	445.03	439.15
Proportion of the Group's ownership	26%	26%
Carrying amount of the investment	117.45	115.73

The Group has invested an amount of ₹ 113.75 million (March 31, 2024: ₹ 113.75 million) in equity shares. Group's share of equity is ₹ 115.71 million (March 31, 2024: ₹ 114.18 million).

Summarised statement of profit and loss for the year/period ended:

In ₹ Million		
Particulars	March 31, 2025	March 31, 2024
Income		
Revenue from operations	169.27	169.18
Other income	11.83	7.70
	181.10	176.88
Expenses		
Cost of Material Consumed	-	-
Changes in inventories	-	-
Employee benefit expenses	-	-
Finance cost	108.33	90.75
Depreciation and amortisation	45.88	45.88
Other expenses	18.90	19.89
	173.11	156.52
Profit before tax	7.99	20.36
Income tax expense		
Current tax	-	-
Deferred tax	1.42	3.46
Profit for the year	6.57	16.90
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6.57	16.90
Group's share of income for the year	1.71	4.39
Group's share of other comprehensive income for the year	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

39. INVESTMENT IN AN ASSOCIATES (CONTD.)

3. Edgelab S.p.A.

The Group has acquired 26% stake in Edgelab S.p.A. on December 17, 2024. Edgelab is involved in Production, collection and distribution of electricity. The Group's interest in Edgelab is accounted for using the equity method in the consolidated financial statements. Summarised financial information based on its standalone financial statements as follows:

Summarised Balance sheet

Particulars	In ₹ Million
	December 31, 2024
Current assets	92.34
Non-current assets	63.70
Current liabilities	(89.22)
Non-current liabilities	(0.39)
Equity	66.43
Proportion of the Group's ownership	25%
Carrying amount of the investment	234.01

The Group has invested an amount of ₹ 234.01 million in equity shares. Group's share of equity is ₹ 17.27 million.

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Gratuity plan

Funded scheme

The Holding Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. An employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. In case of certain category of employees who have completed 10 years of service, gratuity is calculated based on 30 days salary (last drawn) for each completed year of service and cap for gratuity is 20 years. The scheme is funded with insurance companies in the form of a qualifying insurance policies. During the year, the Holding company amended its Gratuity plan to enhance the benefits provided to certain category of employees. As a result of this amendment, the Holding company recognised a past service cost. This cost represents the present value of the additional benefits granted for service in prior periods.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

1) Liability risks

- a) Asset-liability mismatch risk
Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.
- b) Discount rate risk
Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

- c) Future salary escalation and inflation risk
Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are managed by the trust and are invested in various funds (majorly LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds and this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plans.

The principal assumptions used in determining gratuity for the Holding Company's plan are shown below:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.20%
Expected rate of return on plan assets	7.20%	7.50%
Rate of increase in compensation levels	7.00% - 10.00%	7.00%
Expected average remaining working lives (in years)	10.46*	10.79*
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

Particulars	In ₹ Million	
	As at	As at
	March 31, 2025	March 31, 2024
Present value of obligation as at the beginning of the period	1,451.63	1,314.50
Interest expense	101.70	93.90
Past service cost	104.71	-
Current service cost	97.29	82.11
Benefits (paid)	(78.29)	(125.13)
Remeasurements on obligation [actuarial (gain)/loss]	71.11	86.25
Closing defined benefit obligation	1,748.15	1,451.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Changes in the fair value of plan assets recognised in the balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	1,204.70	1,136.07
Interest income	88.56	85.11
Contributions	129.01	122.50
Benefits paid	(78.29)	(125.13)
Remeasurements-Return on plan assets, excluding amount included in Interest Income	(5.53)	(13.85)
Closing fair value of plan assets	1,338.45	1,204.70
Actual return on plan assets	83.03	71.26

Net interest (income)/expense

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on defined benefit obligation	101.70	93.90
Interest (income) on plan assets	(88.56)	(85.11)
Net Interest Expense for the year	13.14	8.79

Remeasurement for the period [actuarial (gain)/loss]

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Experience (gain)/loss on plan liabilities	(16.16)	53.94
Financial (gain)/loss on plan liabilities	87.27	32.30
Experience (gain)/loss on plan assets	1.84	17.25
Financial (gain)/loss on plan assets	3.69	(3.40)

Amount recognised in statement of other comprehensive income (OCI)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement (gain)/loss for the period on defined benefit obligation		
(Gain)/loss on plan liabilities due to experience assumptions	(16.16)	53.94
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	87.27	32.30
Remeasurement (gain)/loss for the period on plan asset		
(Gain)/loss on plan assets due to experience assumptions	1.84	17.25
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	3.69	(3.40)
Total remeasurement cost for the period recognised in OCI	76.64	100.09

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The amounts to be recognised in the balance sheet

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation	(1,748.15)	(1,451.63)
Fair value of plan assets	1,338.45	1,204.70
Net asset/(liability) to be recognised in the balance sheet	(409.70)	(246.93)

Expense recognised in the statement of profit and loss

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost [Refer note 28]	97.29	82.11
Past service cost [Refer note 28]	104.71	-
Net interest (income)/expense [Refer note 30]	13.14	8.79
Net periodic benefit cost recognised in the statement of profit and loss	215.14	90.90

Reconciliation of net asset/(liability) recognised:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Net asset/(liability) recognised at the beginning of the period	(246.93)	(178.43)
Holding Company's contributions	129.01	122.50
Expense recognised for the year	(215.14)	(90.90)
Amount recognised in OCI	(76.64)	(100.09)
Net asset/(liability) recognised at the end of the period	(409.70)	(246.92)

The Holding Company expects to contribute ₹ 130.00 million to gratuity fund in the next year (March 31, 2024: ₹ 120.00 million)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at	
	March 31, 2025	March 31, 2024
Funds managed by insurer	100.00%	100.00%

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decrease/increase in present value of obligation

Discount rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	1,900.25	1,575.35
Increase by 1%	1,616.65	1,346.39

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for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

B) Impact of change in rate of increase in compensation levels on defined benefit obligation

Salary increment rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	1,631.00	1,356.87
Increase by 1%	1,880.72	1,560.75

C) Impact of change in withdrawal rate when base assumption is decreased/increased on defined benefit obligation

Withdrawal rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	1,761.06	1,458.63
Increase by 1%	1,738.54	1,448.60

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 sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Within one year	163.28	210.48
After one year but not more than five years	735.13	474.27
After five years but not more than ten years	813.81	739.13

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.78 years (March 31, 2024: 10.49 years).

(b) Special gratuity

The Holding Company has a defined benefit special gratuity plan. Under the gratuity plan, every eligible employee who has completed ten years of service gets an additional gratuity on departure which will be salary of specified months based on last drawn basic salary. The scheme is unfunded.

1) Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Holding Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Holding Company's financial statements and also benefit risk through return on the funds made available for the plan.

The principal assumptions used in determining special gratuity for the Holding Company's plan is shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.20%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives (in years)	11.15*	11.49*
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	5.00%	5.00%
Age 31 - 44 years	5.00%	5.00%
Age 45 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Changes in the present value of the defined benefit obligation recognised in the balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the period	198.34	167.52
Interest expense	14.24	12.10
Current service cost	-	0.12
Benefits Paid	(1.03)	(12.44)
Remeasurements on obligation [Actuarial (Gain)/Loss]	(0.49)	31.04
Closing defined benefit obligation	211.06	198.34

Net Interest (Income)/Expense

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on defined benefit obligation	14.24	12.10
Net interest expense for the period	14.24	12.10

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for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Remeasurement for the period

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Experience (gain)/loss on plan liabilities	(9.14)	24.82
Demographic loss on plan liabilities	-	-
Financial (gain)/loss on plan liabilities	8.65	6.22

Amount recognised in statement of other comprehensive Income (OCI)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement for the period-obligation (gain)/loss		
(Gain)/loss on plan liabilities due to experience assumptions	(9.14)	24.82
(Gain)/loss on plan liabilities due to demographic assumptions	-	-
(Gain)/loss on plan liabilities due to financial assumptions	8.65	6.22
Remeasurement for the period-Plan assets (gain)/loss		
(Gain)/loss on plan assets due to experience assumptions	-	-
(Gain)/loss on plan assets due to demographic assumptions	-	-
(Gain)/loss on plan assets due to financial assumptions	-	-
Total remeasurement cost for the period recognised in OCI	(0.49)	31.04

The amounts to be recognised in the Balance Sheet

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the end of the period	(211.06)	(198.34)
Fair value of plan assets as at the end of the period	-	-
Net asset/(liability) to be recognised in the balance sheet	(211.06)	(198.34)

Expense recognised in the statement of profit and loss

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost [Refer note 28]	-	0.12
Past service cost	-	-
Net interest (income)/expense [Refer note 30]	14.24	12.10
Net periodic benefit cost recognised in the statement of profit and loss	14.24	12.22

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for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Reconciliation of Net Asset/(Liability) recognised:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Net asset/(liability) recognised at the beginning of the period	(198.34)	(167.52)
Company's contributions	-	-
Benefits directly paid by Company	1.03	12.44
Expense recognised for the year	(14.24)	(12.22)
Amount recognised in OCI	0.49	(31.04)
Net asset/(liability) recognised at the end of the period	(211.06)	(198.34)

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Within one year	12.79	11.70
After one year but not more than five years	63.51	60.58
After five years but not more than ten years	110.61	107.43

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 12.46 years (March 31, 2024: 12.68 years).

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligation

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	235.14	221.32
Increase by 1%	190.36	178.68

B) Impact of change in salary increase rate when base assumption is decreased/increased - present value of obligation

Salary increment rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	192.01	180.15
Increase by 1%	232.68	219.02

C) Impact of change in withdrawal rate when base assumption is decreased/increased - present value of obligation

Withdrawal rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	211.40	197.99
Increase by 1%	210.74	198.65

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

(c) Provident fund

In accordance with the law, all employees of the Holding Company are entitled to receive benefits under the provident fund. The Holding Company operates two plans for its employees to provide employee benefits in the nature of provident fund, viz. defined contribution plan and defined benefit plan.

Under the defined contribution plan, provident fund is contributed to the government administered provident fund. The Holding Company has no obligation, other than the contribution payable to the provident fund (Refer note 28)

Under the defined benefit plan, the Company contributes to the "Bharat Forge Company Limited Staff Provident Fund Trust". The Holding Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The details of the defined benefit plan based on actuarial valuation report are as follows:

1) Liability risks:

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks:

All plan assets are managed by the Trust and are invested in various funds (majorly LIC of India). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Holding Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Holding Company has no control over the management of funds and this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are taken care of.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The principal assumptions used in determining provident fund liability/shortfall for the Holding Company's plan is shown below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.90%	7.20%
Interest rate declared by Employees' Provident Fund Organisation for the year	8.25%	8.25%
Yield spread	0.50%	0.50%
Expected rate of return on plan assets	7.20%	7.50%
Expected average remaining working lives of employees (in years)	10.52*	10.89*
Withdrawal rate		
Age upto 30 years	5.00%	5.00%
Age 31 - 40 years	5.00%	5.00%
Age 41 - 50 years	5.00%	5.00%
Age above 50 years	5.00%	5.00%

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

Table showing changes in present value of expected interest rate shortfall:

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Present value of expected Interest rate shortfall as at the beginning of the period	4,269.68	3,813.10
Interest cost	292.46	274.08
Current service cost	149.84	137.06
Employee contribution	201.77	194.55
Benefits paid	(415.46)	(317.48)
Actuarial (gain)/loss on obligations	169.37	168.37
Present value of expected interest rate shortfall as at the end of the period	4,667.66	4,269.68

Table showing changes in fair value of plan assets (Surplus account)

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets as at the beginning of the period (surplus account)	4,269.38	3,809.32
Interest income	304.80	286.13
Employer's contribution	141.62	134.48
Employee contribution	201.77	194.55
Benefits paid	(415.46)	(317.48)
Remeasurement- return on plan assets excluding amount included in interest income	93.75	162.38
Fair value of plan assets as at the end of the period (surplus account)	4,595.86	4,269.38

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Net interest (income)/expense

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on defined benefit obligation	292.46	274.08
Interest (income) on plan assets	(304.80)	(286.13)
Net Interest Expense/(Income) for the period	(12.34)	(12.05)

The amounts to be recognised in the balance sheet:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of Provident fund liability as at end of the period	4,667.66	4,269.68
Fair value of the plan assets as at the end of the period (surplus account)	4,595.86	4,269.38
(Deficit)	(71.80)	(0.30)
Net (liability) recognised in the balance sheet	(71.80)	(0.30)

Amount recognised in Statement of Other Comprehensive Income (OCI):

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement for the period-obligation (gain)/loss	169.37	168.37
Remeasurement for the period-plan assets (gain)/loss	(93.75)	(162.38)
Total Remeasurement cost for the period recognised in OCI	75.62	5.99

Expense recognised in the statement of profit and loss:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost [Refer note 28]	149.84	137.06
Net interest expense [Refer note 30]	(12.34)	(12.05)
Net periodic benefit cost recognised in the statement of profit and loss	137.50	125.01

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased by 50 basis point - present value of obligation

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 0.50%	4,755.47	4,344.43
Increase by 0.50%	4,584.75	4,199.07

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

B) Impact of change in expected future interest rate on PF when base assumption is decreased/increased by 50 basis point - present value of obligation

PF interest rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 0.50%	4,586.54	4,199.18
Increase by 0.50%	4,748.78	4,340.16

(d) Pension and other obligation

The Holding Company has a defined benefit pension and medical reimbursement plan for certain key managerial personnel as approved by the remuneration committee. The plan provides life time monthly pension payments to such employees as stipulated in the policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the provision as on the reporting date.

1) Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may appear minor, but they can have a significant impact on the defined benefit liabilities.

c) Unfunded plan risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Holding Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in the Holding Company's financial statements and also benefit risk through return on the funds made available for the plan.

The principal assumptions used in determining pension for the Holding Company's plan is shown below:

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.80%	7.20%
Rate of increase in compensation levels	10.00%	7.00%
Rate of increase in pension	5.50%	5.50%
Medical inflation rate	14.00%	14.00%
Expected average remaining working lives (in years)*	12.92*	13.71*

* It is actuarially calculated term of the liability using probabilities of death withdrawal and retirement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The following tables states the net (asset)/liability as at year end:

Particulars	In ₹ Million	In ₹ Million
	As at March 31, 2025	Year ended March 31, 2024
Current pension and medical reimbursement obligation expected to be settled in next 12 months	12.53	12.53
Pension and medical reimbursement obligation expected to be settled beyond 12 months	360.04	223.98
	372.57	236.51

Sensitivity analysis:

A) Impact of change in discount rate when base assumption is decreased/increased on defined benefit obligations

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	404.92	258.45
Increase by 1%	343.89	238.88

B) Impact of change in pension increment rate and salary increment rate when base assumption is decreased/increased on defined benefit obligations

Discount rate	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Decrease by 1%	357.59	217.68
Increase by 1%	388.80	257.38

Overseas subsidiaries

(d) Pension plan and Early retirement plan

The overseas subsidiaries operate a pension scheme which is a defined benefit plan. The scheme pertains to employees who have left the organisation. The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. An individual's estimated benefit obligation is the present value of the attributed benefit for valuation purposes at the beginning of the plan year, and the service cost is the present value of the benefit attributed to the year of service in the plan year.

The following table summarises the components of net benefit expense recognised in the Statement of profit and loss and amounts recognised in the balance sheet for the pension plan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The principal assumptions used in determining pension plan for the Group's overseas subsidiaries is shown below:

Particulars	As at March 31, 2025	As at March 31, 2024
Mortality table	RT Heubeck 2018 G, TGH05/TGF05 and DUS 21	RT Heubeck 2018 G, TGH05/TGF05 and DUS 21
Discount rate	3.35% to 3.70%	3.2% to 3.83%
Expected rate of return on plan assets		
Rate of increase in compensation levels	1% to 2%	2.00%
Expected average remaining working lives (in years)	0.00%	0.00%
Withdrawal rate (based on grade and age of employees)		
Age unto 30 years	0.00%	0.00%
Age 31 - 44 years	0.00%	0.00%
Age 45 - 49 years	0.00%	0.00%
Age above 50 years	0.00%	0.00%

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	922.77	847.83
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	24.34	(14.29)
Interest expense	35.09	36.02
Current service cost	8.57	8.42
Benefits paid	(40.86)	(40.43)
Remeasurements on obligation [Actuarial (Gain)/Loss]	35.02	85.22
Closing defined benefit obligation	984.93	922.77

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	5.64	6.42
Foreign Currency Translation Reserve (FCTR) Impact on opening balance	0.70	(0.47)
Interest income	0.11	0.02
Benefits paid	(0.47)	(0.94)
Remeasurements-Actuarial gains/(losses)	0.12	0.61
Return on plan assets, excluding amount recognised in Interest Income-Gain/(Loss)	-	-
Closing fair value of plan assets	6.10	5.64
Actual return on plan assets	0.23	0.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Net Interest (Income)/Expense

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest (Income)/Expense–Obligation	35.09	36.02
Interest (Income)/Expense–Plan assets	(0.11)	(0.02)
Net Interest (Income)/Expense for the period	34.98	36.00

Amount recognised in Statement of Other Comprehensive Income (OCI)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement for the period–Obligation (Gain)/Loss	35.02	85.22
Remeasurement for the period–Plan assets (Gain)/Loss	(0.12)	(0.61)
Total Remeasurement cost/(credit) for the period recognised in OCI	34.90	84.61

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is - 10.43-18.44 years (March 31, 2024: 10.18-18.39 years).

The amounts to be recognised in the Balance Sheet

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligations	(984.93)	(922.77)
Fair value of plan assets	6.10	5.64
Net Asset/(liability) to be recognised in balance sheet	(978.83)	(917.13)

Expense recognised in the statement of profit and loss

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	8.57	8.42
Net Interest (Income)/Expense	34.98	36.00
Net periodic benefit cost recognised in the statement of profit & loss	43.55	44.42

Reconciliation of Net Asset/(Liability) recognised:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Net asset/(liability) recognised at the beginning of the period	(917.13)	(841.42)
Foreign Currency Translation Reserve (FCTR) Impact on Opening Balance	(23.64)	13.82
Benefits directly paid by the Group	40.39	39.49
Expense recognised for the year	(43.55)	(44.42)
Amount recognised in OCI	(34.89)	(84.60)
Net asset/(liability) recognised at the end of the period	(978.82)	(917.13)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Funds managed by insurer	100%	100%

Sensitivity analysis

Impact of change in discount rate when base assumption is present value of obligation decreased/increased in present value of obligation

Discount rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 0.50%	1,038.81	982.71
Increase by 0.50%	909.69	858.52

The pension scheme pertains to employees who have already left the organisation. Hence the impact of change in salary increase rate and withdrawal rate is nil and hence not disclosed.

The followings are the expected contributions to the defined benefit plan in future years:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	39.98	52.53
Between 2 and 5 years	182.34	232.46
Beyond 5 and 10 years	271.71	326.66
Beyond 10 years	1,251.96	1,305.10
Total expected payments	1,745.99	1,916.74

(e) Other long-term benefits

Other long-term benefits includes early retirement scheme as governed by the local laws amounting to ₹ 70.99 million (March 31, 2024: ₹ 48.59 million) and jubilee scheme as governed by the local laws amounting to ₹ 69.13 million (March 31, 2024: ₹ 73.03 million).

One of the subsidiaries has an employees' savings plan which qualifies under Internal Revenue Code as governed by the local laws. The plan allows eligible employees to make voluntary contributions based on a specific percentage of compensation which may not exceed limitations under the said Internal Revenue Code. The Group has a discretionary matching contribution of 50% up to 6% of compensation. The total expense for employee retirement contribution plans for the year ended March 31, 2025 was ₹ 24.74 million (March 31, 2024: ₹ 23.03 million) included in note 28 as part of employee benefits expenses.

Indian subsidiaries

(f) Gratuity plans

The present value of defined benefit obligation and the related current service costs are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

The gratuity benefits are governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. Majority of the schemes are funded with insurance companies in the form of qualifying insurance policy.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

1) Liability risks

a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralise valuation swings caused by interest rate movements.

b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India and other insurance companies. LIC and other insurance companies has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The respective subsidiary have no control over the management of funds but this option provides a high level of safety for the total corpus. Same account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured and also interest rate and inflation risk are taken care of.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

The principal assumptions used in determining gratuity for the Indian subsidiary's plan are shown below:

Particulars	As at March 31, 2025	As at March 31, 2024
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.50% - 6.80%	7.20% - 7.50%
Expected rate of return on plan assets	7.10% - 7.23%	5.56% - 6.80%
Rate of increase in compensation levels	5.00% - 10.00%	5.00% - 10.00%
Expected average remaining working lives (in years)	2.46-25.42	2.6-20.04
Withdrawal rate (based on grade and age of employees)		
Age upto 30 years	1% to 40%	1% to 38%
Age 31 - 40 years	1% to 40%	1% to 38%
Age 41 - 50 years	1% to 40%	1% to 38%
Age above 50 years	1% to 40%	1% to 38%

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Changes in the present value of the defined benefit obligation recognised in consolidated balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	105.15	81.13
Adjustment to defined benefit obligation	(13.50)	-
Transfer In/(Out)	2.82	-
Interest expense	6.31	5.72
Current service cost	21.03	20.93
Benefits paid	(6.71)	(10.58)
Remeasurements on obligation [Actuarial Loss]	3.96	7.95
Closing defined benefit obligation	119.06	105.15

Changes in the fair value of plan assets recognised in the consolidated balance sheet are as follows:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	12.21	8.01
Adjustment to fair value of plan asset	(0.03)	0.18
Transfer In/(Out)	(0.23)	-
Interest Income	1.24	0.72
Contributions	16.68	11.63
Benefits paid	(6.20)	(8.26)
Return on plan assets, excluding amount recognised in Interest Income-Gain/(Loss)	(0.12)	(0.07)
Closing fair value of plan assets	23.55	12.21
Actual return on plan assets	1.07	0.34

Net Interest (Income)/Expense

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Interest (Income)/Expense–Obligation	6.31	5.72
Interest (Income)/Expense–Plan assets	(1.24)	(0.72)
Net Interest (Income)/Expense for the period	5.07	5.00

Remeasurement for the period [Actuarial (Gain)/loss]

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Experience (Gain)/Loss on plan liabilities	2.72	5.39
Demographic (Gain)/Loss on plan liabilities	(1.55)	(0.97)
Financial (Gain)/Loss on plan liabilities	2.78	3.45
Experience (Gain)/Loss on plan assets	(0.19)	0.09
Financial (Gain)/Loss on plan assets	0.31	(0.01)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Amount recognised in Consolidated Statement of Other comprehensive Income (OCI)

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Opening amount recognised in OCI outside profit and loss account	13.74	5.72
Adjustment to OCI	0.18	-
Remeasurement for the period-Obligation (Gain)/Loss	3.96	7.95
Remeasurement for the period-Plan assets (Gain)/Loss	0.12	0.07
Total Remeasurement cost/(credit) for the period recognised in OCI	4.08	8.02
Closing amount recognised in OCI outside profit and loss account	18.00	13.74

The amounts to be recognised in the Consolidated Balance Sheet

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Present value of defined benefit obligations	(119.06)	(129.17)
Fair value of plan assets	23.55	16.41
Net Asset/(liability) to be recognised in consolidated balance sheet	(95.51)	(112.76)

Expense recognised in the statement of Consolidated profit and loss

Particulars	In ₹ Million	
	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	21.03	20.93
Transfer In/(Out)	3.05	-
Net Interest (Income)/Expense	5.07	5.00
Net periodic benefit cost recognised in the statement of Consolidated profit & loss	29.15	25.93

Reconciliation of Net Asset/(Liability) recognised:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Net asset/(liability) recognised at the beginning of the period	(92.70)	(73.09)
Adjustment to opening balance due to business combinations	13.23	0.18
Contributions	16.68	3.58
Benefits paid by the Group	0.51	10.58
Expense recognised for the year	(29.15)	(25.93)
Amount recognised in OCI	(4.08)	(8.02)
Net asset/(liability) recognised at the end of the period	(95.51)	(92.70)

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Funds managed by insurer	100.00%	100.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

40. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTD.)

Sensitivity analysis

A) Impact of change in discount rate when base assumption is decreased/increased in Present value of obligation

Discount rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	131.56	47.39
Increase by 1%	108.48	39.90

B) Impact of change in salary increase rate when base assumption is decreased/increased in Present value of obligation

Salary increment rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	109.08	39.89
Increase by 1%	130.58	46.36

C) Impact of change in withdrawal rate when base assumption is decreased/increased in Present value of obligation

Withdrawal rate	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Decrease by 1%	118.63	38.27
Increase by 1%	119.44	37.25

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 sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected benefit payments to the defined benefit plan in future years:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Year ending March 31		
Within one year	8.40	8.83
After one year but not more than five years	24.68	26.98
After five years but not more than ten years	32.11	61.82
Beyond 10 years	44.09	35.92
Total expected payments	109.28	133.55

Weighted average duration of the defined benefit plan obligation (based on discounted cash flows using mortality, withdrawal and interest rate) is in the range of 5.04-19.22 years (March 31, 2024: 4.25-20.40 years).

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for the year ended March 31, 2025

41. CONTINGENT LIABILITIES

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Claims against the Group not acknowledged as Debts-to the extent ascertained [Refer note a]	1,415.16	1,320.54
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned guarantee limit of ₹ 7,250 million (March 31, 2024: ₹ 7,250 million) for contracts undertaken by the Company and are secured by extension of charge by way of joint hypothecation of stock-in-trade, stores and spares, book debts, etc.	4,064.52	3,857.66
Excise/Service tax demands - matters under dispute* [Refer note b]	295.10	129.66
Customs demands - matters under dispute* [Refer note c]	48.06	69.51
Goods and Services tax and Sales tax demands - matters under dispute [Refer note d]	2.17	0.60
Income tax demands - matters under dispute [Refer note e]	231.75	215.32

* Includes Interest calculated till reporting date and Penalty

(a) Includes:

- The Holding Company is contesting the demands raised pertaining to property tax.

One of the subsidiaries, the claim is that the Arbitral award passed by the Arbitrator against the Company on 10th May, 2019 in the matter of arbitration proceedings concerning termination of Share Purchase Agreement dated 18th December, 2010 by the Company, directing the Company to pay ₹ 77 crores to the Claimant. In the opinion of the directors, the said award is biased and perverse. The Company has filed an appeal against the said award before the Delhi High Court. Based on the legal advice obtained by the Company, the Directors are of the view that the Company stands a good chance to win the appeal and hence no provision has been considered in this financial statements. The High court has heard the case during the current financial year and kept the judgement reserved in the its 1st hearing held on 23rd February, 2025. The High court has not given any judgement till the end of financial year end.

- The disputed claims including those related to various statutory dues that have been waived off and extinguished as per The Resolution Plan approved by the National Company Law Tribunal are not considered

(b) Includes amount pertaining to incentive received under Government schemes, etc.

(c) Includes amount pertaining to classification differences of products etc.

(d) Includes amount pertaining to duty demand by authorities on non-taxable services and for non-receipt of various statutory forms, etc.

One of the subsidiaries has received demand notice u/s 129 of Central Goods and Service Tax Act, 2017. The subsidiary has paid the demand under protest and the subsidiary is contesting the demands and the Management, including its tax/legal advisors, believe that its position will likely be upheld in the appeal process. No tax expense has been accrued in the financial statements for the tax demand raised and hence the subsidiary Company has shown amount paid as Other Current Asset.

One of the subsidiaries has made a payment of ₹ 1.39 million under protest and filled an appeal before the State Tax Officer, Gujarat against the demands from the Goods and Services tax authorities arising on account of certain non compliances with the provisions of E-way bill. The Management believes that the ultimate outcome of this proceeding will be in favour of the Company and hence no tax expense has been accrued in the financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

41. CONTINGENT LIABILITIES (CONTD.)

(e) Includes amount pertaining to matter relating to applicability of TDS.

- The Holding company and one of the subsidiary is contesting the demands and the Management, including its tax/legal advisors, believe that its position will likely be upheld in the appeal process. No tax expense has been accrued in the financial statements for the tax demand raised. The Management based on its internal assessment and advice by its legal counsel believes that it is only possible/remote, but not probable, that the action will succeed.
- One of the subsidiaries has received a transfer pricing demand order where an upward adjustment was proposed amounting to ₹ 68.80 millions (March 31, 2024: 68.80 million) having tax impact of ₹ 24.98 millions (March 31, 2024: 24.98 million). The company has appealed against the said order. The Management on basis of opinion of legal consultant believes that the ultimate outcome of the above proceeding will not have a material adverse effect on the company's financial position and results of operations.

Note: In cases where the amounts have been accrued, it has not been included above.

42. CAPITAL AND OTHER COMMITMENTS

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
(a) Estimated value of contracts remaining to be executed on Property, plant & Equipment and not provided for, net of advances	5,296.78	5,925.40
(b) Guarantees given by the Holding Company on behalf of other companies		
Balance outstanding	6,838.40	8,012.05
(Maximum amount)	(11,411.81)	(8,123.68)

The Holding company, for its newly set up plant located at Mambattu, Nellore, Andhra Pradesh for the manufacture of aluminium casting, had imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports. As at March 31, 2024; export obligation aggregates to ₹ 697.18 million. This is to be satisfied over a period of 6 years (block year 1st to 4th year - 50% and 5th to 6th year - 50%) from December 14, 2018, as specified. During the current financial year, the period has concluded, and any outstanding obligations will be fulfilled in due course.

43. LEASES

A. Group as lessee

The Group has lease contracts for various items of buildings, leasehold land, plant and machinery, office equipments, electrical installation, furniture fixtures, vehicles and other equipment used in its operations. Leases of Buildings, leasehold land, plant and machinery generally have lease terms between 2 and 18 years, while motor vehicles and other equipment generally have lease terms between 2 and 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further mentioned below:

The Group also has certain leases of machinery, flats with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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for the year ended March 31, 2025

43. LEASES (CONTD.)

Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

In ₹ Million						
Particulars	Buildings	Plant and machinery	Office equipment	Vehicles	Leasehold Land	Total
At April 1, 2023	1,129.22	3,086.97	26.64	223.73	645.45	5,112.02
Additions	38.75	141.10	13.93	45.72	9.71	249.21
Addition due to acquisition	-	-	-	-	125.79	125.79
Depreciation charged to profit and loss account	(159.13)	(334.87)	(10.27)	(84.63)	(5.30)	(594.20)
Depreciation capitalised	6.87	15.29	(15.82)	(42.80)	-	(36.46)
Deletions	(8.58)	(12.44)	(1.54)	(3.36)	(94.08)	(120.00)
Foreign Currency Translation Reserve	2.16	1.60	(0.57)	0.91	-	4.10
As at March 31, 2024	1,009.29	2,897.65	12.37	139.57	681.57	4,740.46
Additions	46.92	85.48	179.91	29.40	38.74	380.45
Addition due to acquisition	-	-	-	-	-	-
Depreciation charged to profit and loss account	(159.41)	(272.10)	(96.09)	(91.59)	(9.32)	(628.51)
Depreciation capitalised	-	-	-	-	-	-
Deletions	(37.97)	-	-	-	(0.01)	(37.98)
Foreign Currency Translation Reserve	7.49	4.61	2.06	4.35	-	18.51
As at March 31, 2025	866.32	2,715.64	98.25	81.73	710.98	4,472.93

Below are the carrying amounts of lease liabilities and the movements during the period:

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	4,254.55	4,609.04
Additions on acquisition	-	-
Additions	375.48	243.79
Disposal	(38.89)	(63.47)
Accretion of Interest	331.42	341.12
Payments	(847.26)	(854.59)
Foreign Currency Translation Reserve	23.42	(21.34)
Closing balance	4,098.72	4,254.55
Current	474.74	461.99
Non-Current	3,623.98	3,792.56

The maturity analyses of lease liabilities are disclosed in Note 55.

The effective interest rate for lease liabilities is between 8.40% to 9.85% for domestic entities and 1.90% to 4.4 % for Overseas entities with maturity between 2025-2029.

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for the year ended March 31, 2025

43. LEASES (CONTD.)

The following are the amounts recognised in profit or loss:

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expense of right-of-use assets	628.51	594.20
Interest expense on lease liabilities	331.42	341.12
Expense relating to short-term leases and low value leases (included in Other expenses)	0.09	32.09
Expense relating to leases of low-value assets (included in Other expenses)	28.76	-
Total amount recognised in profit or loss	988.78	967.41

The Group had total cash outflows for leases of ₹ 847.26 million (March 31, 2024: ₹ 854.59 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ Nil million (March 31, 2024: ₹ Nil million) and ₹ Nil million (March 31, 2024: ₹ Nil million) respectively.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised. (Refer note 35)

B. Group as a lessor

The Group has entered into agreements/arrangement in the nature of lease/sub-lease agreement with different lessees for the purpose of land. These are generally in the nature of operating lease. Period of agreements are generally for three years to ten years and cancellable with a notice of thirty days to six months and renewal at the options of the lessee/lessor.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

In ₹ Million		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Within one year	158.44	85.12
After one year but not more than five years	266.23	275.95
More than five years	77.93	60.28
Total	502.60	421.35

44. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a net

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for the year ended March 31, 2025

44. CAPITAL MANAGEMENT (CONTD.)

debt equity ratio, which is net debt divided by equity. The Group's policy is to keep the net debt equity ratio below 1.00. The Group includes within its borrowings net debt and interest-bearing loans less cash and cash equivalents.

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Borrowings	62,514.52	75,220.75
Less: Cash and other liquid assets	22,589.20	30,186.38
Net debt	39,925.32	45,034.37
Equity	92,533.34	71,166.32
Net debt/equity Ratio	0.43	0.63

45. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO ASSOCIATES/JOINT VENTURE/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Saarloha Advanced Materials Private Limited**		
Balance outstanding	-	-
Maximum amount outstanding during the year	-	1,350.00
Refu Drive GmbH@		
Balance outstanding	128.81	165.76
Maximum amount outstanding during the year	128.81	165.76

** Short-term advance converted into a long-term advance for a period of 4 years.

@ term loan with bullet repayment at the end of 2 years, interest payable at the end of the loan term.

Loans and advances in the nature of loans granted to promoters, directors, key managerial personnel (KMP's) and other related parties either severally or jointly with any other person that are:

- a) Repayable on demand or
- b) without specifying any terms or period of repayment

Type of Borrower	March 31, 2025		March 31, 2024	
	Amount of loan or advances in the nature of loan outstanding	% of total loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	% of total loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Party	-	-	-	-

Note: There are no investments by the loanee in the shares of the Holding company and subsidiary company, when the respective company has made a loan or advance in the nature of loan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of Unit of Indo Shell Mould Limited (ISML) by JS Auto Cast Foundry India Private Limited

ISML is an unlisted public company incorporated on May 03, 1995 having its registered office at A9, SIDCO Industrial Estate Kurichi, Coimbatore, Tamil Nadu, India, 641021. Its authorised share capital is ₹ 128 million and paid up capital is ₹ 124 million. It is involved in manufacturing of ferrous and non ferrous castings.

JSA is a private limited company incorporated on August 20, 2004 having its operations at SF No 165/1, Sembagounden Pudur, Kuppepalayam, Coimbatore, Tamil Nadu, India. It is registered at Registrar of Companies, Coimbatore. Its authorised share capital is ₹ 90 million and its paid up capital is ₹ 39 million. It is involved in the manufacturing of raw and machined ductile iron castings for numerous international brands.

On December 31, 2022, JSA entered into a Business Transfer Agreement to acquire the casting business (referred to as 'Identified Business Unit') from ISML for a consideration of ₹ 533.08 million. The acquisition completed on June 30, 2023 (the "Acquisition Date").

The Company has calculated the fair value of the acquired assets and liabilities in accordance with Ind AS 103 Business Combinations resulting in no goodwill or capital reserve.

Particulars	In ₹ Million	
	As at June 30, 2023	
Assets		
Property, plant and equipment	384.50	
Right of Use assets	125.79	
Trade receivables	14.69	
Inventories	42.48	
	567.46	
Liabilities		
Other Current liabilities	9.09	
Deferred tax liabilities	25.29	
	34.38	
Total identifiable net assets/(liabilities) at fair value	533.08	
Non-controlling interest measured at fair value	-	
Goodwill arising on acquisition	-	
Purchase consideration transferred	533.08	

None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

Particulars	In ₹ Million	
	Amount	
Purchase Consideration	533.08	
Less: Net Cash acquired in business Combination	-	
Net Cashflow on acquisition	533.08	

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

46. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS (CONTD.)

Acquisition of Zorya Mashproekt India Private Limited

The Group through its wholly owned subsidiary Kalyani Strategic Systems Limited (KSSL) has acquired 500,000 equity shares (64.93% of total shareholding) of face value ₹ 10/- each of Zorya Mashproekt India Private Limited (ZMI) on January 24, 2024. ZMI is a private limited company which is engaged in business of development of indigenous capabilities for build ups and repair and overhaul of all types of gas turbine engine.

In ₹ Million	
Particulars	As at January 24, 2024
Assets	
Property, plant and equipment	0.10
Cash and cash equivalents	0.10
Trade receivables	0.70
Financial Assets (Current)	0.65
Other Assets	1.89
	3.44
Liabilities	
Other Current liabilities	3.70
Borrowings	0.40
	4.10
Total identifiable net assets/(liabilities) at fair value	(0.66)
Non-controlling interest measured at fair value	(1.52)
Goodwill arising on acquisition	2.18
Purchase consideration transferred	-

None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

In ₹ Million	
Particulars	Amount
Purchase Consideration	-
Less: Net Cash acquired in business Combination	(0.10)
Net Cashflow on acquisition	(0.10)

47. DISCLOSURES REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT, 2013

In ₹ Million				
Name of the loanee	Purpose	Rate of Interest (p.a.)	Year ended March 31, 2025	Year ended March 31, 2024
Refu Drive GmbH®	General corporate purpose	2.00%	128.81	165.76

@ term loan with bullet repayment at the end of 2 years, interest payable at the end of the loan term.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES

(i) Names of the related parties and related party relationship

Related parties with whom transactions have taken place during the period	
Associates	Avaada MHVidarbha Private Limited Talbahn GmbH Aeron Systems Private Limited
Joint Ventures	BF NTPC Energy Systems Limited, India (under liquidation) REFU Drive GmbH, Germany
Subsidiary of Joint Venture	REFU Drive India Private Limited, India
Other related parties (Enterprises owned or significantly influenced by key management personnel or their relatives)	Kalyani Steels Limited BF Utilities Limited Khed Economic Infrastructure Private Limited Kalyani Maxon Wheels Private Limited Automotive Axles Limited, India Kalyani Cleantech Private Limited United Metachem Private Limited Harmony Electoral Trust Saarloha Advanced Materials Private Limited Nandi Economic Corridor Enterprises Limited Baramati Speciality Steels Limited Kalyani Technoforge Limited Kalyani Transmission Technologies Private Limited KGEPL Engineering Solutions Private Limited Astra Rafael Comsys Pvt Ltd Kalyani Technoweld Private Limited Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited) Kalyani Strategic Management Services Limited (formerly Kalyani Technologies Limited) KTMS Properties Company Private Limited KTMS Design and Engineering Private Limited KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited) Inmet Technology Solutions Private Limited Institute for Prostate Cancer, India Govalkonda Trading Company Private Limited Purandhar Trading Company Private Limited Raigad Trading Company Private Limited Vishalgad Trading Company Private Limited Akutai Kalyani Charitable Trust Peach Blossom Investment Private Limited Synise Technologies Limited Radium Merchandise Private Limited Ratnakar Energy Private Limited (w.e.f. November 6, 2023)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Related parties with whom transactions have taken place during the period	
Non controlling interest holders	Elbit Systems Land and C4I Limited, Israel
	Rafael Advanced Defence Systems Limited
	Mr. Rahul Pangare, India
	Mr. Vyankoji Shinde, India
Joint venture partners	NTPC Limited, India
	Premier Explosives Limited, India
	REFU Elektronik GmbH, Germany
Key management personnel	Mr. B. N. Kalyani (Chairman and Managing Director)
	Mr. A. B. Kalyani (Executive Director and Joint Managing Director)
	Mr. G. K. Agarwal (Executive Director and Deputy Managing Director) (upto March 31, 2024)
	Mr. B. P. Kalyani (Executive Director)
	Mr. S. E. Tandale (Executive Director)
	Mr. K. M. Saletore (Executive Director & CFO) (upto June 30, 2023)
	Mr. K. P. Dixit (CFO) (w.e.f July 1, 2023)
	Mr. A. B. Ram (Non Executive Director) (w.e.f September 1, 2023)
	Ms. T. R. Chaudhari (Company secretary)
	Mr. P. G. Pawar (Independent Director) (upto September 3, 2024)
	Mr. P. H. Ravikumar (Independent Director) (upto September 3, 2024)
	Mr. V. R. Bhandari (Independent Director) (upto September 3, 2024)
	Mr. Murali Sivaraman (Independent Director) (upto June 20, 2024)
	Mr. Kanwar Bir Singh Anand (Independent Director) (w.e.f June 27, 2022)
	Mrs. Sonia Singh (Independent Director) (w.e.f June 27, 2022)
	Mr. Anand S. Pathak (Independent Director) w.e.f July 12, 2024)
	Mr. Ravi Kapoor (Independent Director) w.e.f December 30, 2024)
	Ms. Rashmi Joshi (Independent Director) w.e.f December 30, 2024)
Relatives of key management personnel	Mr. G. N. Kalyani
	Mrs. R. G. Kalyani
	Ms. S. G. Kalyani
	Mr. V. G. Kalyani
	Mrs. V. E. Tandale
	Mrs. A. P. Kore
	Mrs. Deeksha Amit Kalyani

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for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)

(i) Names of the related parties and related party relationship (contd.)

Related parties with whom transactions have taken place during the period	
Post employment benefit Trust	Bharat Forge Company Limited Staff Provident Fund
	Bharat Forge Company Limited Employees Group Gratuity Fund
	Bharat Forge Company Limited Officers Group Gratuity Fund
	Bharat Forge Company Limited Officers Superannuation Scheme
	Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme

Transactions and balances less than 10% of the total transactions and balances disclosed as "Others"

(ii) Related party transactions

				In ₹ Million	
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024	
1	Purchase of raw materials, components, stores, spares and traded goods	Associate			
		Aeron Systems Private Limited	27.23	74.19	
			27.23	74.19	
		Other related parties			
		Kalyani Steels Limited	5,167.31	5,055.48	
		Saarloha Advance Material Private Limited	13,540.01	14,191.22	
		Kalyani Technoforge Limited	734.15	540.80	
		Others	71.00	94.80	
			19,512.47	19,882.30	
		Joint venture			
		Refu Drive GMBH	29.55	38.78	
			29.55	38.78	
		Subsidiary of Joint Venture			
		REFU Drive India Private Limited, India	1.45	1.32	
			1.45	1.32	
		Non controlling interest holders			
		Rafael Advanced Defence Systems Limited	354.02	556.07	
			354.02	556.07	
			19,924.72	20,552.66	
2	Purchase of services	Other related parties			
		Kalyani Strategic Management Services Limited	-	1.50	
			-	1.50	
3	Other expenses - Power, fuel and water	Associate			
		Avaada MHVidarbha Private Limited	170.45	169.35	
			170.45	169.35	
		Other related parties			
		Ratnakar Energy Private Limited	90.76	30.84	
		BF Utilities Limited	49.92	57.01	
			49.92	57.01	
			220.37	226.36	

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for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(ii) Related party transactions (contd.)

In ₹ Million				
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
- Machining/subcontracting charges		Other related parties		
		Kalyani Technoforge Limited	49.49	98.01
		Synise Technologies Limited	27.53	31.42
		Kalyani Transmission Technologies Private Limited	8.86	4.47
		KTMS Design and Engineering Private Limited	83.13	82.25
		Saarloha Advanced Materials Private Limited	1.31	-
		Baramati Speciality Steels Limited	2.67	-
		Others	-	3.56
			172.99	219.71
-Rent*		Other related parties		
		United Metachem Private Limited	4.97	11.01
		KTMS Properties Company Private Limited	22.64	20.58
		KTMS Design and Engineering Private Limited	0.12	-
		Tirupati Engineers	-	1.86
		Others	4.47	4.54
			32.20	37.99
- Directors' fees and travelling expenses		Key management personnel		
		Mr. B. N. Kalyani	10.94	10.45
		Mr. A. B. Kalyani	10.94	10.45
		Mr. P. G. Pawar	1.07	1.45
		Mrs. L. D. Gupte	0.62	0.73
		Mr. P. H. Ravikumar	0.79	1.19
		Mr. A. B. Ram	0.92	0.22
		Mr. V. R. Bhandari	1.09	1.50
		Mr. Dipak Mane	1.45	1.39
		Mr. Kanwar Bir Singh Anand	1.21	0.59
		Mrs. Sonia Singh	1.11	0.68
		Mr. Murali Sivaraman	0.27	0.88
		Mr. Anand Pathak	0.63	-
		Mr. Ravi Kapoor	0.34	-
		Ms. Rashmi Joshi	0.27	-
			31.65	29.53

* The lease arrangements which have been considered for Ind AS 116 disclosures in **note no. 43** and taken to right-of-use assets have been considered in rent expenses for disclosing actual transactions with related parties.

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for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(ii) Related party transactions (contd.)

In ₹ Million				
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
- Commission to directors other than managing and whole time directors		Key management personnel		
		Mr. P. G. Pawar	4.00	1.55
		Mrs. Lalita D. Gupte	1.80	0.56
		Mr. P. H. Ravikumar	2.40	1.13
		Mr. A. B. Ram	3.40	0.25
		Mr. Vimal Bhandari	3.80	1.50
		Mr. Dipak Mane	3.40	0.88
		Mr. Murali Sivaraman	1.00	0.75
		Mr. Kanwar Bir Singh Anand	4.00	0.38
		Mrs. Sonia Singh	3.60	0.50
		Mr. Anand Pathak	1.80	-
		Mr. Ravi Kapoor	1.00	-
		Ms. Rashmi Joshi	0.80	-
			31.00	7.50
- Legal and professional fees		Other related parties		
		Kalyani Strategic Management Services Limited	200.00	222.41
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	137.34	124.54
		Others	20.16	4.58
			357.50	351.53
- Repairs and maintenance		Other related parties		
		KTMS Properties Company Private Limited	16.96	15.19
			16.96	15.19
- Miscellaneous expenses		Other related parties		
		Kalyani Strategic Management Services Limited	186.23	176.27
		Kalyani Technoforge Limited	-	24.50
		Others	-	3.64
			186.23	204.41
		Non controlling interest holders		
		Rafael Advanced Defense Systems Limited	32.16	15.05
			32.16	15.05
- Reimbursement of expenses received		Other related parties		
		Kalyani Strategic Management Services Limited	6.16	-
		Kalyani Technoforge Limited	57.92	-
		Saarloha Advanced Materials Private Limited	210.34	-
		Kalyani Steels Limited	55.42	-
		Others*	1.09	4.51
			330.93	4.51

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(ii) Related party transactions (contd.)

In ₹ Million				
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
	- Reimbursement of expenses Paid	Non controlling interest holders		
		Akutai Kalyani Charitable Trust	0.07	-
		Rafael Advanced Defence Systems Limited	2.48	-
			2.55	-
			1,414.54	1,111.78
4	Sale of goods, raw materials, stores and spares, manufacturing scrap and tooling income (net of returns,rebate etc.)	Other related parties		
		Saarloha Advanced Materials Private Limited	2,929.67	3,237.09
		Automotive Axles Limited	131.05	202.81
		Kalyani Technoforge Limited	1.38	67.80
		Refu Drive India Private Limited	0.33	-
		Astra Rafael Comsys Pvt Ltd	1.05	-
		Other	39.40	26.67
			3,102.88	3,534.37
		Joint venture		
		Refu Drive GmbH	2.22	-
			2.22	-
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	3,047.72	2,615.74
			3,047.72	2,615.74
			6,152.82	6,150.11
5	Sale of services	Other related parties		
		Automotive Axles Limited	182.76	207.84
		Saarloha Advanced Materials Private Limited	88.47	88.22
		Kalyani Technoforge Limited	3.51	1.34
			274.74	297.40
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	95.22	33.90
			95.22	33.90
6	Other income - Rent*	Other related parties		
		Yokoha Investment Private Limited (formerly known as Kalyani Medicomp Private Limited)	2.13	13.26
		Kalyani Technoforge Limited	20.07	20.07
		Others	65.09	2.82
			87.29	36.15

* The lease arrangements which have been considered for Ind AS 116 disclosures in note no. 43 and taken to right-of-use assets have been considered in rent expenses for disclosing actual transactions with related parties.

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for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(ii) Related party transactions (contd.)

In ₹ Million				
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
	- Miscellaneous Income	Other related parties		
		Kalyani Technoforge Limited	-	14.11
		Kalyani Strategic Management Services Limited	-	-
		Others	-	0.67
			-	14.78
7	Purchase of property, plant and equipment (including CWIP)		87.29	50.93
		Other related parties		
		Kalyani Strategic Management Services Limited	-	8.26
		KSMS Technologies Solutions Private Limited (formerly known as Kalyani Global Engineering Private Limited)	-	57.56
		KTMS Design and Engineering Private Limited	838.77	702.32
		Others	7.62	3.14
			846.39	771.28
		Joint venture		
		Refu Drive GmbH	11.13	-
			11.13	-
			857.52	771.28
8	Finance provided:	Other related parties*		
		Khed Economic Infrastructure Private Limited	9.98	72.94
			9.98	72.94
9	Investments in associates	Associates		
		Edgelab S.p.A	234.01	-
			234.01	-
		Joint venture		
		Refu Drive GmbH	66.84	-
			66.84	-
			310.83	72.94
10	Loan given	Joint venture		
		BF NTPC Energy Systems Limited	-	0.25
			-	0.25
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	20.00	-
			20.00	-
			20.00	0.25

* Includes fair valuation impact

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for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(ii) Related party transactions (contd.)

In ₹ Million				
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
11	Interest income	Joint Ventures		
		REFU Drive GmbH	-	5.26
			-	5.26
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	0.15	-
			0.15	-
		Other related party		
		Saarloha Advanced Materials Private Limited	-	42.43
		Kalyani Steels Limited	4.57	13.38
			4.57	55.81
12	Capital advance given		4.72	61.07
		Other related party		
		KTMS Design and Engineering Private Limited	61.45	397.65
		KGEPL Engineering Solutions Private Limited	-	21.48
13	Advance given to vendors		61.45	419.13
		Joint Venture		
		Refu Drive GmbH, Germany	-	10.49
			-	10.49
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	2.19	-
14	Advance given recovered		2.19	-
			2.19	10.49
		Other related parties		
15	Security deposit received	Khed Economic Infrastructure Private Limited	665.95	770.82
			665.95	770.82
		Other related parties		
16	Managerial remuneration [@]	Kalyani Maxion Wheels Private Limited	100.00	-
			100.00	-
		Key management personnel (Short-term employment benefits)		
		Mr. B. N. Kalyani ^{\$}	389.17	327.98
		Mr. A. B. Kalyani	99.02	71.74
		Mr. G. K. Agarwal ^{\$\$}	-	204.07
		Mr. S. E. Tandale	60.60	55.22
		Mr. B. P. Kalyani	54.79	49.05
		Mr. K. M. Saletore (upto June 30, 2023)	-	11.42
		Mr. K. P. Dixit (w.e.f July 01, 2023)	17.29	9.69
17	Dividend paid	Ms. T. R. Chaudhari	5.07	4.69
			625.94	733.86

@ Does not include provision for gratuity, leave encashment since the same is considered for all employees of the Company as a whole, but includes specific provision for pension and medical.
\$ includes post retirement benefits of ₹ 132.14 million (March 31, 2024: ₹ 87.42 million).
\$\$ includes post retirement benefits of Nil (March 31, 2024: ₹ 149.08 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(ii) Related party transactions (contd.)

In ₹ Million				
Sr. no.	Nature of transaction	Name of the related parties and nature of relationship	Year ended March 31, 2025	Year ended March 31, 2024
17	Dividend paid	Key management personnel		
		Mr. B. N. Kalyani	0.70	0.63
		Mr. A. B. Kalyani	6.30	5.60
		Mr. G. K. Agarwal	-	0.04
		Mr. B. P. Kalyani	0.06	0.05
		Mr. P. H. Ravikumar	-	0.05
		Mr. Subodh Tandale [#]	-	-
		Mr. K. M. Saletore	-	0.01
			7.06	6.38
		Relatives of key management personnel		
		Mr. G. N. Kalyani	6.21	5.52
		Others	1.43	1.28
			7.64	6.80
			14.70	13.18
18	Repayment of loan given	Joint Venture		
		BF NTPC Energy Systems Limited	-	0.79
			-	0.79
		Associates and subsidiaries of associates		
		Aeron Systems Private Limited	20.00	-
			20.00	-
			20.00	0.79
19	Contributions paid*	Post employment benefit Trusts		
		Provident fund		
		Bharat Forge Company Limited Staff Provident Fund	345.68	329.03
			345.68	329.03
		Gratuity fund		
		Bharat Forge Company Limited Employees Group Gratuity fund	30.00	37.50
		Kalyani Powertrain Ltd Employee's Group Gratuity Cash Accumulation Scheme	3.57	3.57
		Bharat Forge Company Limited Officer's GroupGratuity fund	99.32	86.59
			132.89	127.66
		Superannuation fund		
20	Donations	Bharat Forge Company Limited Officer's Superannuation scheme	17.09	17.10
			17.09	17.10
			495.66	473.79
		Other related parties		
20	Donations	Harmony Electoral Trust	220.00	-
			220.00	-

Amounts disclosed as zero are below the million rounding off.
* For closing balances of above employee benefit Trusts [Refer note 40].

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(iii) Balance outstanding as at the year end

In ₹ Million				
Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
1	Trade payables	Other related parties		
		Saarloha Advance Material Private Limited**	2,375.83	2,347.63
		Kalyani Steels Limited*	1,184.75	839.64
		Kalyani Technoforge Limited	88.20	196.83
		Kalyani Strategic Management Services Limited	-	83.48
		Ratnakar Energy Private Limited	8.27	-
		Refu Drive GmbH	0.07	-
		Others	154.78	54.06
			3,811.90	3,521.64
		Associate		
		Avaada MHVidarbha Private Limited	15.62	15.25
		Aeron Systems Private Limited	1.43	16.55
			17.05	31.80
		Subsidiary of a Joint venture		
		Refu Drive India Private Limited	-	0.66
			-	0.66
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	706.80	664.92
			706.80	664.92
			4,535.75	4,219.02
2	Trade receivables	Other related parties		
		Saarloha Advanced Materials Private Limited	946.92	1,009.93
		Automotive Axles Limited	83.30	135.57
		Kalyani Technoforge Limited	1.55	41.92
		Others	42.81	21.31
			1,074.58	1,208.73
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	875.82	814.64
			875.82	814.64
		Associate		
		Aeron Systems Private Limited	19.00	19.00
			19.00	19.00
			1,969.40	2,042.37

* Net of advance given amounting to ₹ 470 million (March 31, 2024: ₹ 470.00 million) [Refer note 22]

** Net of advance given amounting to ₹ 250 million (March 31, 2024: ₹ 250.00 million) [Refer note 22]

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)
(iii) Balance outstanding as at the year end (contd.)

In ₹ Million				
Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
3	Payables for capital goods	Other related parties		
		KTMS Design and Engineering Private Limited	0.75	-
		Kalyani Cleantech Private Limited	0.49	0.85
			1.24	0.85
4	Non-current investments	Joint ventures (net of accumulated share of loss)		
		BF NTPC Energy Systems Limited	33.64	33.64
		Refu Drive GmbH	-	919.14
			33.64	952.78
		Associates (net of accumulated share of loss)		
		Avaada MHVidarbha Private Limited	113.75	113.75
		Aeron Systems Private Limited	137.18	137.18
			250.93	250.93
		Other related parties (including fair value)		
		Khed Economic Infrastructure Private Limited	1,070.92	1,060.94
			1,070.92	1,060.94
			1,355.49	2,264.65
5	Loans given	Joint Ventures		
		REFU Drive GmbH	128.81	157.88
			128.81	157.88
		Associates		
		Talbahn GmbH	-	6.31
			-	6.31
			128.81	164.19
6	Security deposits given	Other related parties		
		BF Utilities Limited	200.00	200.00
		Kalyani Strategic Management Services Ltd (erstwhile Kalyani Technologies Ltd)	89.40	89.40
		Radium Merchandise Private Limited	-	25.00
		Others	39.73	14.73
			329.13	329.13
7	Advance to suppliers	Other related parties		
		Refu Drive GmbH	0.61	-
		Others	25.02	1.34
			25.63	1.34
8	Interest accrued	Joint venture partners		
		REFU Drive GmbH	-	7.87
			-	7.87

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million				
Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
9	Advance from customers	Other related parties		
		Astra Rafael Comsys Pvt Ltd	-	1.66
			-	1.66
		Non controlling interest holders		
		Rafael Advanced Defence Systems Limited	130.53	425.78
			130.53	425.78
			130.53	427.44
10	Capital advances	Other related parties		
		KTMS Design and Engineering Private Limited	-	233.41
		Khed Economic Infrastructure Private Limited	998.50	1,664.45
			998.50	1,897.86
11	Advance given	Joint Venture		
		Refu Drive GmbH, Germany	-	10.98
			-	10.98
12	Managerial remuneration payable*	Key management personnel (Short-term employment benefits)		
		Mr. B. N. Kalyani\$	286.07	154.40
		Mr. A. B. Kalyani	47.50	25.61
		Mr. G. K. Agarwal\$\$	-	152.08
		Mr. S. E. Tandale	19.00	20.91
		Mr. B. P. Kalyani	19.00	19.27
		Mr. K. M. Saletore	-	3.39
			371.57	375.66
13	Commission to directors other than managing and whole time directors	Relatives of directors and other directors		
		Mr. B. N. Kalyani	11.07	10.52
		Mr. A. B. Kalyani	11.07	10.52
		Mr. P. G. Pawar	4.00	1.55
		Mrs. Lalita D. Gupte	1.80	0.56
		Mr. P. H. Ravikumar	2.40	1.13
		Mr. A. B. Ram	3.40	0.25
		Mr. Vimal Bhandari	3.80	1.50
		Mr. Dipak Mane	3.40	0.88
		Mr. Murali Sivaraman	1.00	0.75
		Mr. Kanwar Bir Singh Anand	4.00	0.38
		Mrs. Sonia Singh	3.60	0.50
		Mr. Anand Pathak	1.80	-
		Mr. Ravi Kapoor	1.00	-
		Ms. Rashmi Joshi	0.80	-
			53.14	28.54

* Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole, but includes specific provision for pension and medical.

\$ includes post retirement benefits of ₹ 219.57 million (March 31, 2024: ₹ 87.42 million).

\$\$ includes post retirement benefits of Nil (March 31, 2024: ₹ 149.08 million).

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

48. RELATED PARTY DISCLOSURES (CONTD.)

(iii) Balance outstanding as at the year end (contd.)

In ₹ Million				
Sr. no.	Nature of Balances	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
14	Security deposit received	Other related parties		
		Kalyani Maxion Wheels Private Limited	100.00	-
			100.00	-
15	Provision for diminution in value of Investment in associate	Joint Ventures		
		BF NTPC Energy Systems Limited	33.64	33.64
			33.64	33.64
16	Guarantee given	Joint Ventures		
		Sagar-Manas Technologies Limited	16.50	-
			16.50	-

Notes

(1) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured with a short-term duration unless otherwise stated. For the year ended March 31, 2025 the Company has not recorded any impairment of receivables relating to amount owed by related parties other than those disclosed separately above (March 31, 2024: ₹ Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

(2) All transactions were made on normal commercial terms and conditions and are at market rates.

(3) For details of guarantees given to related parties refer note 47

49. SEGMENT INFORMATION

In accordance with paragraph 22 of notified Indian Accounting Standard 108 Operating Segments (Ind AS 108), the Group has disclosed segment information only on the basis of the consolidated financial statements which are presented together with the standalone financial statements. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's business is divided into three reporting segments which comprises "Forgings", "Defence" and "Others", which represents the Group's businesses not covered in Forgings and Defence segment.

The "Forgings" segment produces and sells forged products comprising forgings and machined components for automotive and industrial sectors and the Defence segment produces and sells products which have an application in defence related activities. Forged components used in Defence related activities and products are included as a part of the Forgings segment. "Others" primarily includes various initiatives which the Group is carrying out other than forging and defence related activities.

The Chief Operating Decision Maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators. With the increased focus of the group on defence related activities, the group now has defence as a separate segment and the information with respect to the same is provided to and reviewed by the CODM.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

49. SEGMENT INFORMATION (CONTD.)

No operating segments have been aggregated to form the above reportable operating segments.

Sr. No.	March 31, 2025	In ₹ Million March 31, 2024
1 Segment revenue		
Revenue from external customers		
a Forgings	129,612.33	137,178.98
b Defence	17,719.86	15,605.54
c Others	9,519.96	8,183.38
Total	156,852.15	160,967.90
Less-Intersegment revenue	5,624.11	4,147.18
Revenue from operations	151,228.03	156,820.72
2 Segment results		
a Forgings	18,561.18	18,426.17
b Defence	1,864.23	1,824.64
c Others	393.08	(716.04)
Total segment profits before interest, tax and exceptional items from each reportable segment	20,818.49	19,534.77
Less: Finance cost	4,174.93	4,911.67
Less: Other unallocable expenditure net off unallocable income	514.66	109.94
	16,128.90	14,513.16
Add: Exceptional items gain/(loss)		
a Forgings	-	(20.97)
b Defence	(53.00)	-
c Others	(1,517.65)	(102.26)
Total Exceptional items gain/(loss)	(1,570.65)	(123.23)
Profit/(Loss) before tax	14,558.25	14,389.93
3 Segment income/(expense)		
3.1 Segment Depreciation and amortisation expense		
a Forgings	7,987.40	7,726.70
b Defence	80.07	38.47
c Others	655.25	703.29
d Unallocable	13.47	13.51
Depreciation and amortisation expense	8,736.19	8,481.97
3.2 Segment Income tax expense/(income)		
a Forgings	5,018.46	4,798.20
b Defence	289.78	345.94
c Others	117.26	144.19
Income tax expense (excluding impact of deferred tax in OCI)	5,425.50	5,288.33

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

49. SEGMENT INFORMATION (CONTD.)

Sr. No.	March 31, 2025	In ₹ Million March 31, 2024
3.3 Share of (loss) of associates and joint ventures***		
a Forgings	-	-
b Defence	28.40	22.55
c Others	(52.92)	43.16
Total share of (loss) of associates and joint ventures	(24.52)	65.71
4 Segment assets		
a Forgings	132,272.20	123,228.63
b Defence	17,218.40	13,389.63
c Others	12,588.42	13,804.29
d Unallocable assets including unutilised fund	42,209.49	43,520.10
Total	204,288.51	193,942.65
Less-Intersegment assets	3,405.30	451.88
Total assets	200,883.21	193,490.77
5 Segment liabilities		
a Forgings	28,754.18	28,151.14
b Defence	9,250.24	8,018.01
c Others	2,949.79	2,372.27
d Unallocable	3,941.33	4,256.14
Total	44,895.54	42,797.56
Less-Intersegment liabilities	3,405.30	451.88
Total liabilities	41,490.24	42,345.68
Net Capital employed	159,392.97	151,145.09
6 Other disclosures		
6.1 Investments in associates and joint ventures****		
a Forgings	-	-
b Defence	378.37	126.90
c Others	526.71	512.37
Investments in associates and joint ventures	905.08	639.27
6.2 Increase in non-current non-financial asset for the year		
a Forgings	14,895.59	12,070.58
b Defence	1,610.55	1,441.37
c Others	601.23	3,139.04
Increase in non-current non-financial asset for the year	17,107.37	16,650.99

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

49. SEGMENT INFORMATION (CONTD.)

In ₹ Million		
Sr. No.	March 31, 2025	March 31, 2024
7	Information in respect of geographical areas	
7.1	Segment revenue from external customers**	
a	Within India	
	36,091.80	38,334.47
b	Outside India	
	Europe	50,759.64
	USA	36,841.92
	Others	27,534.67
	Subtotal	115,136.23
	Total	151,228.03
7.2	Segment non-current assets	
a	Within India	51,938.29
b	Outside India	33,936.10
	Total	85,874.39

* Ind AS 108 requires disclosure of reconciliations between segment information and respective line item in Consolidated Financial Statements. Adjustments and eliminations include elimination of assets and liabilities of joint ventures and associates which have been accounted under equity method. Further, inter-segment transactions are eliminated upon consolidation. There are no other reconciling items, hence, no separate reconciliation has been presented.

** The revenue information above is based on location of the customers. No single external customer contributed more than 10% of Group's total revenue for the year ended March 31, 2025 and March 31, 2024.

*** Excluding effects of share of OCI of associates and joint ventures amounting to ₹ 0.61 million (March 31, 2024 ₹ 0.38 million)

**** Excluding loan to associate representing long-term interest of the Group in the associate. (Refer note 39)

50. HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in US Dollar and Euro. These forecast transactions are highly probable.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In ₹ Million				
Particulars	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts	872.96	115.44	1,832.07	17.11

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit and loss. Amounts of outstanding forward contracts are as follows:

In ₹ Million						
Nature of instrument	Currency	Purpose	As at March 31, 2025		As at March 31, 2024	
			Foreign Currency in Million	In ₹ Million	Foreign Currency in Million	In ₹ Million
Forward Contracts	USD	Hedging of highly probable forecast sales	594.09	52,447.66	554.00	48,300.39
Forward Contracts	EUR	Hedging of highly probable forecast sales	181.58	17,910.91	169.50	17,048.01

The cash flow hedges of the expected future sales during the year ended March 31, 2025 were assessed to be highly effective and a net unrealised gain/(loss) of ₹ 750.83 million (March 31, 2024: ₹ 1,807.64 million), with a deferred tax liability of ₹ 188.98 million (March 31, 2024: ₹ 455.79 million) relating to the hedging instruments, is included in OCI.

The amount removed from OCI during the year and included in the carrying amount of the hedged item as an adjustment for the year ended March 31, 2025 as detailed in note 33, totalling ₹ 1,138.14 million (gross of deferred tax) (March 31, 2024: ₹ 1,224.03 million). The amounts retained in OCI at March 31, 2025 are expected to mature and affect the statement of profit and loss till the year ended March 31, 2027.

Fair value hedges

At March 31, 2024, one of the companies in the group has a cross currency agreements in place. The original lender shall make available to the Borrower, a term loan facility ("Facility A") upto an aggregate principal amount of 10 million euros and after Facility A has been disbursed, another facility ("Facility B") shall be utilised which will be made available upto an aggregate principal amount of 5 million euros. The rate of interest for Facility A and Facility B is fixed at EURIBOR + 250 basis points.

Also as at March 31, 2024 the Company had certain forward contracts outstanding, which are being used to hedge the exposure to changes in fair value of its underlying trade receivables.

The impact of the derivative instrument on the balance sheet as at March 31, 2025 is, as follows:

Fair value hedge	Nominal amount (In Million)	Carrying amount (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2025
Cross currency swap	Nil	Nil	Derivative instruments	Nil
Forward Contracts	Nil	Nil	Derivative instruments	Nil

The impact of the derivative instrument on the balance sheet as at March 31, 2024 is as follows:

Fair value hedge	Nominal amount (In Million)	Carrying amount (In ₹ Million)	Line item in balance sheet where hedging instrument is disclosed	Changes in fair value for calculating hedge ineffectiveness for March 2024
Cross currency swap	EUR 13.17	130.59	Derivative instruments	Nil
Cross currency swap	USD 14.50	0.00	Derivative instruments	Nil
Forward Contracts	EUR 4.75	5.14	Derivative instruments	Nil

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

50. HEDGING ACTIVITIES AND DERIVATIVES (CONTD.)

The impact of the hedged item on the balance sheet as at March 31, 2025 is, as follows:

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2025
Trade receivables	NIL	NIL

The impact of the hedged item on the balance sheet as at March 31, 2024 is as follows:

Fair value hedge	Nominal amount (In Million)	Changes in fair value for calculating hedge ineffectiveness for March 2024
Trade receivables	EUR 4.75	NIL

Derivatives not designated as hedging instruments

The Group has used foreign exchange forward contracts to manage repayment of some of its foreign currency denominated borrowings. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the repayments of foreign currency denominated borrowings.

During the current year, the Holding Company has coverted one of its term loan issues in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for the term loan was fixed at 7.96%, but due to the cross currency swap arrangement, the effective interest rate has been fixed at 3.58% on EURO equivalent.

During the previous year, the Holding Company had converted two of its Non Convertible Debetures (NCD) issued in Indian Rupees (INR) into a Euro loan for interest rate arbitrage. Under the original agreement, the interest rate for 5.80% BFL 2025 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 5.80%, but due to the cross currency swap arrangement, the effective interest rate has been fixed at 2.40% on EURO equivalent. The interest rate for 7.80% Bharat Forge Limited 2027 listed, rated, unsecured, redeemable, non-convertible debentures was fixed at 7.80%, but due to the cross currency swap arrangement, the effective interest rate has been fixed at 3.52% on EURO equivalent, decreasing the corresponding interest cost on borrowings from NCD issuance.

The impact of the derivative item on the balance sheet as at March 31, 2025 is as follows:

Borrowings	Nominal amount (In Million)	Line item in balance sheet where instrument is disclosed
Non current borrowings	INR 3,750.00	Borrowings
Non current borrowings	INR 625.00	Borrowings
Non current borrowings	INR 625.00	Borrowings
Current borrowings	INR 2,000.00	Borrowings

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

51. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosure fair value measurement hierarchy for assets as at March 31, 2025

Financial Instruments by category

In ₹ Million

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,070.92
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited [Refer note 51(c)]	-	-	23.76
TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited)	-	-	-
Harbinger Motors Inc. (formerly known as Electron Transport Inc.) [Refer note 51(d)]	-	-	2,013.98
SPI Power LLP	-	-	-
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	237.66	-	-
KPIT Technologies Limited [Refer note 51(b)]	801.47	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	872.96	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited [Refer note 51(a)]	-	-	-
Ratnakar Energy Private Limited	-	-	13.00
Derivative instruments at FVTPL			
Fair value hedges	-	-	-
Derivatives not designated as hedge	-	16.63	-
Unquoted funds			
Investments in private equity fund	-	149.35	-
Investments in mutual funds	-	9,407.01	-
Quoted funds/bonds			
Investments in mutual funds	1,790.39	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	115.45	-
Financial liability at FVTPL			
Derivatives not designated as hedge	-	89.57	-

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for the year ended March 31, 2025

51. FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosure fair value measurement hierarchy for assets/liabilities as at March 31, 2024

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
In ₹ Million			
Financial assets at FVTOCI			
Unquoted equity instruments			
Khed Economic Infrastructure Private Limited	-	-	1,060.94
Avaada SataraMH Private Limited	-	-	166.38
Avaada MHBuldhana Private Limited [Refer note 51(c)]	-	-	23.76
TMJ Electric Vehicles Limited (Formerly Tevva Motors (Jersey) Limited)	-	-	16.46
Electron Transport Inc.	-	-	1,054.62
Ratnakar Energy Private Limited	-	-	13.00
SPI Power LLP	-	-	0.01
Quoted equity instruments			
Birlasoft Limited (erstwhile KPIT Technologies Limited)	454.85	-	-
KPIT Technologies Limited [Refer note 51(b)]	911.16	-	-
Derivative instruments at fair value through OCI			
Cash flow hedges	-	1,832.06	-
Financial assets at FVTPL			
Unquoted equity instruments			
Gupta Energy Private Limited [Refer note 51(a)]	-	-	-
Derivative instruments at FVTPL			
Fair value hedges	-	143.57	-
Derivatives not designated as hedge		7.83	
Unquoted funds			
Investments in private equity fund	-	113.34	-
Investments in mutual funds	-	8,243.06	-
Quoted funds/bonds			
Investments in mutual funds	2,307.02	-	-
Financial liability at FVTOCI			
Cash flow hedges	-	17.11	-
Financial liability at FVTPL			
Fair value hedges	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

51. FAIR VALUE HIERARCHY (CONTD.)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2025 and March 31, 2024 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Unquoted equity shares in Khed Economic Infrastructure Private Limited (KEIPL) [Refer note 7(c)]	Cost method	Estimated realisation rates for developed land and land under development	March 31, 2025: ₹ 11.50 million to ₹ 12.60 million/acre (March 31, 2024: ₹ 11.00 million to ₹ 12.60 million/acre)	5% increase/(decrease) in realisation rate would result in increase/(decrease) in fair value per share by ₹ 1.53 (March 31, 2024: ₹ 1.55)
Unquoted equity shares in Avaada SataraMH Private Limited (ASPL) [Refer note 7(c)]	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in Avaada MHBuldhana Private Limited [Refer note 7(c)]	Current market value method	Other equity investments where quoted prices are not available, fair values are determined by reference to the expected current market value of net assets.	Not Applicable	Not Applicable
Unquoted equity shares in TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited) [Refer note 7(e)]	Comparable transaction method (CTM)	Revenue multiple	Not Applicable	Not Applicable

- (a) **Gupta Energy Private Limited (GEPL)**
The Group has an investment in equity instrument of GEPL. The same is classified as at fair value through profit and loss. Over the years GEPL has been making consistent losses. The Management of the Holding Company has made attempts to obtain latest information for the purpose of valuation. However, such information is not available as GEPL has not filed the financial statements with Ministry of Corporate Affaires (MCA) since FY 2014-15. In view of the above, the Management believes that the fair value of the investment is Nil as at April 1, 2015 and thereafter.
- (b) **KPIT Technologies Limited**
The Company had invested into 613,000 equity shares of ₹ 2/- each of KPIT Technologies Limited. The Hon'ble National Company Law Tribunal, Mumbai Bench, has by its order approved the composite scheme of arrangement (Scheme), amongst Birlasoft (India) Limited, KPIT Technologies Limited, KPIT Engineering Limited and their respective shareholders. Pursuant to the Scheme, the engineering business of KPIT Technologies Limited has been transferred to KPIT Engineering Limited.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

51. FAIR VALUE HIERARCHY (CONTD.)

Pursuant to the order, Birlasoft (India) Limited has merged with KPIT Technologies Limited and KPIT Technologies has been renamed as "Birlasoft Limited". KPIT Engineering Limited has been renamed as "KPIT Technologies Limited".

Pursuant to the Scheme, the Group had received 1 equity share of KPIT Technologies Ltd. of ₹ 10/- each for 1 equity share of Birlasoft Ltd. of ₹ 2/- each. The ratio of cost of acquisition per share of Birlasoft Ltd. and KPIT Technologies Ltd. was 56.64% to 43.36%.

The investment in shares has been classified under level 1 of the fair value hierarchy as on March 31, 2025 and March 31, 2024.

(c) Avaada MHBuldhana Private Limited

The investment in equity shares of Avaada MHBuldhana Private Limited which was made on September 30, 2021 is governed by the terms of the share purchase agreement and the shares held by the Company are subject to certain restrictions in terms of ability of the Company to sell the shares and the value at which this can be done. Considering the nature of restrictions and overall intention of the Management in relation to the equity shares, the fair value of such shares for the Company is same as its cost i.e. the face value.

(d) Harbinger Motors Inc. (formerly known as Electron Transport Inc.)

The Group had made investment in preferred stock of Harbinger Motors Inc. (formerly known as Electron Transport Inc.) in the previous year. Considering the nature of the investment and overall intention of the Management in relation to this investment, the fair value of such investment as at March 31, 2025 and March 31, 2024 was fair valued through other comprehensive income.

(e) Ratnakar Energy Private limited

The Group had made investment in equity shares of Ratnakar Energy Private Limited on November 6, 2023. Considering the investment being short-term in nature and overall intention of the Management in relation to this investment, the fair value of such investment as at March 31, 2025 and March 31, 2024 is fair valued through profit and loss.

Reconciliation of fair value measurement of financial assets classified as FVTOCI and FVTPL:

In ₹ Million						
Particulars	Unquoted equity shares in Ratnakar Energy Private Limited	Unquoted equity shares in Avaada SataraMH Private Limited	Unquoted equity shares in Khed Economic Infrastructure Private Limited	Unquoted equity shares in Avaada MHBuldhana Private Limited	Unquoted equity shares in TMJ Electric Vehicles Limited (formerly Tevva Motors (Jersey) Limited)	Unquoted preferred shares in Harbinger Motors Inc. (formerly known as Electron Transport Inc.)
As at April 1, 2023	-	142.45	988.00	20.34	2,952.03	350.21
Remeasurement recognised in OCI	-	23.93	72.94	3.42	-2,942.31	159.00
Remeasurement recognised in Statement of profit and loss	-	-	-	-	-	-
Purchases	13.00	-	-	-	-	545.41
As at March 31, 2024	13.00	166.38	1,060.94	23.76	9.72	1,054.62
Remeasurement recognised in OCI	-	-	9.98	-	-9.72	323.52
Remeasurement recognised in Statement of profit and loss	-	-	-	-	-	-
Purchases	-	-	-	-	-	-
As at March 31, 2025	13.00	166.38	1,070.92	23.76	0.00	1,378.14

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

52. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2025 and March 31, 2024, other than those with carrying amounts that are reasonable approximates of fair values:

Particulars	Carrying value		Fair value	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
(i) Investments	6,192.36	6,959.90	6,192.36	6,959.90
(ii) Trade receivables	135.48	97.91	135.48	97.91
(iii) Loans	58.54	60.26	58.54	60.26
(iv) Derivative instruments	289.02	827.40	289.02	827.40
(v) Other non-current financial assets	1,616.22	671.67	1,616.22	671.67
Total financial assets	8,291.62	8,617.14	8,291.62	8,617.14
(i) Borrowings	13,193.66	18,589.80	13,193.66	18,589.80
(ii) Other non-current financial liabilities	195.38	253.09	195.38	253.09
(iii) Lease liabilities	3,623.98	3,792.56	3,623.98	3,792.56
(iv) Derivative instruments	67.45	-	67.45	-
Total financial liabilities	17,080.47	22,635.45	17,080.47	22,635.45

The Management assessed that the fair value of cash and cash equivalent, trade receivables, derivative instruments, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Further the Management assessed that the fair value of security deposits and other non current receivables approximate their carrying amounts largely due to expected credit loss/discounting at rates which are an approximation of current lending rates.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) The fair values of quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables above. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- (iii) The fair values of the unquoted equity shares have been estimated using a cost method (KEIPL), comparable transaction method (Tevva) as well as current market value method (ASPL and AMPL). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

52. FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

- (iv) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at March 31, 2025, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- (v) The Group's borrowings and loans are appearing in the books at fair value since the same are interest bearing hence discounting of the same is not required. The own non-performance risk as at March 31, 2025 and March 31, 2024 was assessed to be insignificant.

53. STATUTORY GROUP INFORMATION

Name of the entity in the group	Net assets (Total assets-total liabilities)		Share in profit and loss		Share in Other Comprehensive Income/ (loss)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	₹ Million	As a % of consolidated profit or loss	₹ Million	As a % of consolidated other Comprehensive income	₹ Million	As a % of consolidated total Comprehensive income	₹ Million
Parent Company								
Bharat Forge Limited								
Balance as at March 31, 2025	118.91	109,642.67	144.78	13,222.51	223.71	(1,243.42)	139.67	11,979.09
Balance as at March 31, 2024	119.59	85,687.81	156.56	14,249.58	(23.34)	(1,837.03)	282.97	12,412.55
Subsidiaries								
Foreign								
1) Bharat Forge Global Holding GmbH-Group								
Balance as at March 31, 2025	3.09	2,850.86	(35.08)	(3,203.51)	51.68	(287.26)	(40.70)	(3,490.77)
Balance as at March 31, 2024	3.33	2,388.54	(25.43)	(2,314.94)	(0.94)	(74.26)	(54.47)	(2,389.20)
2) Bharat Forge America Inc.-Group								
Balance as at March 31, 2025	11.07	10,207.81	(21.32)	(1,946.84)	39.91	(221.85)	(25.29)	(2,168.69)
Balance as at March 31, 2024	3.00	2,151.57	(26.69)	(2,429.17)	(1.10)	(86.66)	(57.35)	(2,515.83)
3) Bharat Forge International Limited								
Balance as at March 31, 2025	3.33	3,072.85	6.03	550.52	(12.72)	70.71	7.24	621.23
Balance as at March 31, 2024	3.42	2,451.38	4.31	392.01	(1.40)	(110.20)	6.42	281.81

Notes to Consolidated Financial Statements

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53. STATUTORY GROUP INFORMATION (CONTD.)

Name of the entity in the group	Net assets (Total assets-total liabilities)		Share in profit and loss		Share in Other Comprehensive Income/ (loss)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	₹ Million	As a % of consolidated profit or loss	₹ Million	As a % of consolidated other Comprehensive income	₹ Million	As a % of consolidated total Comprehensive income	₹ Million
Indian								
1) Kalyani Powertrain Private Limited-Group								
Balance as at March 31, 2025	4.67	4,306.65	(27.45)	(2,506.64)	(58.77)	326.67	(25.42)	(2,179.97)
Balance as at March 31, 2024	3.03	2,170.97	(19.13)	(1,741.08)	2.02	159.15	(36.06)	(1,581.93)
2) Kalyani Strategic Systems Limited-Group								
Balance as at March 31, 2025	2.98	2,751.92	9.52	869.71	0.03	(0.18)	10.14	869.53
Balance as at March 31, 2024	2.62	1,880.39	10.12	921.29	(0.03)	(2.31)	20.95	918.98
3) BF Industrial Solutions Limited-Group								
Balance as at March 31, 2025	6.89	6,355.42	5.67	517.38	(2.47)	13.73	6.19	531.11
Balance as at March 31, 2024	7.87	5,640.22	2.86	259.86	0.01	0.43	5.93	260.29
4) BF Infrastructure Limited-Group								
Balance as at March 31, 2025	0.18	165.20	(0.13)	(11.96)	(0.02)	0.10	(0.14)	(11.86)
Balance as at March 31, 2024	0.25	177.06	(0.95)	(86.04)	(0.00)	(0.21)	(1.97)	(86.25)
5) Kalyani Centre for Precision Technology Limited								
Balance as at March 31, 2025	0.94	866.49	0.63	57.45	0.01	(0.05)	0.67	57.40
Balance as at March 31, 2024	1.13	809.08	0.87	79.15	(0.00)	(0.01)	1.80	79.14
6) BF Elbit Advanced Systems Private Limited								
Balance as at March 31, 2025	(0.21)	(190.60)	(0.24)	(22.19)	-	-	(0.26)	(22.19)
Balance as at March 31, 2024	(0.24)	(168.40)	(0.22)	(20.29)	-	-	(0.46)	(20.29)
7) Eternus Performance Material Private Limited								
Balance as at March 31, 2025	(0.00)	(2.37)	0.02	1.86	-	-	0.02	1.86
Balance as at March 31, 2024	(0.01)	(4.23)	(0.03)	(2.51)	-	-	(0.06)	(2.51)
8) Kalyani Lightweighting Technology Solutions Limited								
Balance as at March 31, 2025	(0.00)	(0.25)	(0.00)	(0.08)	-	-	(0.00)	(0.08)
Balance as at March 31, 2024	(0.00)	(0.17)	(0.00)	(0.08)	-	-	(0.00)	(0.08)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

53. STATUTORY GROUP INFORMATION (CONTD.)

Name of the entity in the group	Net assets (Total assets-total liabilities)		Share in profit and loss		Share in Other Comprehensive Income/ (loss)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	₹ Million	As a % of consolidated profit or loss	₹ Million	As a % of consolidated other Comprehensive income	₹ Million	As a % of consolidated total Comprehensive income	₹ Million
Non-controlling interests in all subsidiaries								
Balance as at March 31, 2025	(0.36)	(327.53)	(0.00)	(0.44)	50.16	(278.78)	(3.26)	(279.22)
Balance as at March 31, 2024	0.03	19.70	(0.00)	(0.16)	-	-	(0.00)	(0.16)
Associates (accounting as per the equity method)								
Indian								
1) Aeron Systems Private Limited								
Balance as at March 31, 2025	-	321.59	(0.01)	(0.61)	-	-	(0.01)	(0.61)
Balance as at March 31, 2024	-	(299.32)	(0.01)	(1.03)	(5.82)	32.33	0.71	31.30
2) Avaada MHVidarbha Private Limited								
Balance as at March 31, 2025	-	0.26	0.07	6.57	-	-	0.15	6.57
Balance as at March 31, 2024	-	96.84	0.04	3.46	(3.04)	16.90	0.46	20.36
3) Edgelab S.p.A.								
Balance as at March 31, 2025	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	-	-	-	-	-	-	-	-
Joint Ventures (accounting as per the equity method)								
Foreign								
1) REFU Drive GmbH (including subsidiary)								
Balance as at March 31, 2025	-	(59.39)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Balance as at March 31, 2024	-	(111.84)	0.40	36.37	-	-	0.83	36.37
Adjustments arising out of consolidation								
March 31, 2025	(51.51)	(47,493.74)	17.57	1,604.98	(191.53)	1,064.52	31.12	2,669.50
March 31, 2024	(44.03)	(31,550.83)	(2.26)	(206.03)	124.79	9,821.46	219.21	9,615.43
March 31, 2025 - Group	100.00	92,205.38	100.00	9,132.75	100.00	(555.81)	100.00	8,576.94
March 31, 2024 - Group	100.00	71,653.09	100.00	9,101.59	100.00	7,870.36	100.00	4,386.49

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for the year ended March 31, 2025

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY THE HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES)

For year ended March 31, 2025

Investments

The Holding Company has investments in following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	June 18, 2024	3,340.40	Bharat Forge Aluminium USA, Inc.	June 18, 2024	3,340.40
		December 23, 2024	3,832.65	Bharat Forge PMT Technologie LLC	December 23, 2024	1,277.55
				Bharat Forge Aluminium USA Inc.	December 23, 2024	2,555.10
2	Kalyani Powertrain Limited	June 07, 2024	14.64	Tork Motors Private Limited	May 30, 2024	1.49
				Tork Motors Private Limited	May 31, 2024	5.00
				Tork Motors Private Limited	June 01, 2024	6.91
				Tork Motors Private Limited	June 11, 2024	1.25
		July 01, 2024	5.00	Tork Motors Private Limited	July 01, 2024	5.00
		July 20, 2024	87.82	Tork Motors Private Limited	July 22, 2024	87.82
		August 09, 2024	399.99	Tork Motors Private Limited	August 09, 2024	399.99
		August 22, 2024	1,054.50	Refer note below*	August 22, 2024	1,054.50
		December 26, 2024	69.00	REFU Drive GmbH	December 31, 2024	69.00
		January 07, 2025	4.00	Electroforge Limited (Loan given)	January 08, 2025	4.00

* Amount paid to Bharat Forge Limited against consideration of transfer of shares of REFU Drive GmbH to Kalyani powertrain Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY THE HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
3	BF Industrial Solutions Limited	December 31, 2024	180.00	J S Auto Cast Foundry India Private Limited	December 31, 2024	180.00
4	Bharat Forge Global Holding GmbH	December 24, 2024	3,430.74	Bharat Forge CDP GmbH	December 27, 2024	593.13
				Bharat Forge Aluminiumtechnik GmbH	December 27, 2024	2,802.17
				Bharat Forge Kilsta AB	December 27, 2024	35.44

For year ended March 31, 2024

Investments

The Holding Company has investments in following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date of investment into subsidiary	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	February 09, 2024	1,248.30	Bharat Forge Aluminium USA, Inc.	February 09, 2024	1248.30
2	Kalyani Powertrain Limited	July 11, 2023	801.91	Kalyani Mobility Inc.	September 14, 2023	498.72
					December 22, 2023	83.19
				Electroforge Limited	December 21, 2023	150.00
					February 01, 2024	20.00
					February 09, 2024	20.00
3	BF Industrial Solutions Limited	April 21, 2023	622.50	JS Auto cast Foundry India Private Limited	March 04, 2024	30.00

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for the year ended March 31, 2025

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY THE HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

Loans

The Holding Company has given loans to following subsidiaries for being further invested in step-down subsidiaries of the Holding Company

In ₹ Million

Sl. No.	Name of the subsidiary	Date on which loan was given to subsidiary	Amount invested in Subsidiary	Name of the beneficiary	Date on which loan was given by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	January 29, 2024	999.12	Bharat Forge Aluminium USA, Inc.	January 29, 2024	999.12

Statement of compliance

With regard to the investments made, loan given and guarantees given during the year ended March 31, 2025 as well as March 31, 2024, the Company has complied with the relevant regulatory provisions.

Particulars of the intermediaries/beneficiaries/ultimate beneficiaries

1 Bharat Forge Limited

Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

2 Bharat Forge America Inc.

Registered office: 2150, Schmiede St, Surgoinville, Tennessee 37873, USA

Relationship with the beneficiary: Wholly owned Subsidiary

3 Bharat Forge Aluminium USA, Inc.

Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Step-down Subsidiary

4 Bharat Forge PMT Technologie, LLC

Registered office: 2150, Schmiede St, Surgoinville, Tennessee 37873, U.S.A.

Relationship with the beneficiary: Step-down Subsidiary

5 Bharat Forge Global Holding GmbH

Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Wholly owned Subsidiary

6 Bharat Forge CDP GmbH

Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany

Relationship with the beneficiary: Step-down Subsidiary

7 Bharat Forge Aluminiumtechnik GmbH

Registered office: Berthelsodorfer StraBe 8, 09618 Brand-Erbisdorf, Germany

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.1 DETAILS OF FUNDS ADVANCED OR LOANED OR INVESTED TO ANY OTHER PERSONS OR ENTITIES BY THE HOLDING COMPANY, FOR LENDING OR INVESTING IN OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) (CONTD.)

- 8

Bharat Forge Kilsta AB
Registered office: Box 428 691 27 Karlskoga, Sweden

Relationship with the beneficiary: Step-down Subsidiary
- 9

Kalyani Powertrain Limited
Registered office: S No 49, Industry House, Opposite Kalyani Steels Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned Subsidiary
- 10

Tork Motors Pvt Ltd, India
Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down Subsidiary
- 11

Kalyani Mobility Inc.
Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA

Relationship with the beneficiary: Step-down Subsidiary
- 12

Electroforge Limited
Registered office: S No 49, Industry House, Opposite Kalyani Steels Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down Subsidiary
- 13

REFU Drive GmbH
Registered office: Markts.18572793 Pfullingen, Baden- Wurttemberg, Germany

Relationship with the beneficiary: Joint Venture
- 14

BF Industrial Solutions Limited
Registered office: S No 49, Industry House, Opposite Kalyani Steels Limited, Mundhwa, Pune 411036

Relationship with the beneficiary: Wholly owned Subsidiary
- 15

JS Auto Cast Foundry India Private Limited
Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam Na Coimbatore, Tamil Nadu 641107

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025

1 Bharat Forge America Inc., USA Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	June 18, 2024	3,340.40	Bharat Forge Aluminium USA, Inc.	June 18, 2024	3,340.40
		December 23, 2024	3,832.65	Bharat Forge PMT Technologie LLC	December 23, 2024	1,277.55
				Bharat Forge Aluminium USA Inc	December 23, 2024	2,555.10

Particulars of the funding party

- 1

Bharat Forge Limited
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

- 1

Bharat Forge Aluminium USA, Inc.
Registered office: 2150, Schmiede St, Surgoenville, Tennessee 37873, USA

Relationship with the beneficiary: Step-down Subsidiary
- 2

Bharat Forge PMT Technologie, LLC
Registered office: 2150, Schmiede St, Surgoenville, Tennessee 37873, U.S.A.

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

2 Kalyani Powertrain Limited
Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	June 07, 2024	14.64	Tork Motors Private Limited	May 30, 2024	1.49
				Tork Motors Private Limited	May 31, 2024	5.00
				Tork Motors Private Limited	June 01, 2024	6.91
				Tork Motors Private Limited	June 11, 2024	1.25
		July 01, 2024	5.00	Tork Motors Private Limited	July 01, 2024	5.00
		July 20, 2024	87.82	Tork Motors Private Limited	July 22, 2024	87.82
		August 09, 2024	399.99	Tork Motors Private Limited	August 09, 2024	399.99
		August 22, 2024	1,054.50	Refer note below*	August 22, 2024	1,054.50
		December 26, 2024	69.00	REFU Drive GmbH	December 31, 2024	69.00
		January 07, 2025	4.00	Electroforge Limited (Loan given)	January 08, 2025	4.00

* Amount paid to Bharat Forge Limited against consideration of transfer of shares of REFU Drive GmbH to Kalyani powertrain Limited

Particulars of the funding party

- 1 Bharat Forge Limited
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

- 1 Tork Motors Pvt Ltd, India
Registered office: Plot No. 4/25, Sector No.10, PCNTDA, Pune 411026

Relationship with the beneficiary: Step-down Subsidiary

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

- 2 Electroforge Limited
Registered office: S. No. 49, Industry House, Opp Kalyani Steels Ltd Mundhwa, Pune 411036

Relationship with the beneficiary: Step-down Subsidiary
- 3 REFU Drive GmbH
Registered office: Markts.18572793 Pfullingen, Baden- Wurttemberg, Germany

Relationship with the beneficiary: Joint Venture

3 BF Industrial Solutions Limited, India
Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	December 31, 2024	180.00	J S Auto Cast Foundry India Private Limited	December 31, 2024	180.00

Particulars of the funding party

- 1 Bharat Forge Limited
Registered office: Mundhwa, Pune 411036

Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

- 1 JS Auto cast Foundry India Private Limited
Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam, Coimbatore, Tamil Nadu 641107

Relationship with the beneficiary: Step-down Subsidiary

4 Bharat Forge Global Holding GmbH
Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	December 24, 2024	3,430.74	Bharat Forge CDP GmbH	December 27, 2024	593.13
				Bharat Forge Aluminiumtechnik GmbH	December 27, 2024	2,802.17
				Bharat Forge Kilsta AB	December 27, 2024	35.44

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for the year ended March 31, 2025

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Particulars of the funding party

- 1 Bharat Forge Limited
- Registered office: Mundhwa, Pune 411036
- Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

- 1 Bharat Forge CDP GmbH
- Registered office: Mittelstrasse 64, 58256 Ennepetal, Germany
- Relationship with the beneficiary: Step-down Subsidiary
- 2 Bharat Forge Aluminiumtechnik GmbH
- Registered office: Berthelsodorfer StraBe 8, 09618 Brand-Erbisdorf, Germany
- Relationship with the beneficiary: Step-down Subsidiary
- 3 Bharat Forge Kilsta AB
- Registered office: Box 428 691 27 Karlskoga, Sweden
- Relationship with the beneficiary: Step-down Subsidiary

54.2DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2024

1 Kalyani Powertrain Limited ('KPL')
Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	July 11, 2023	801.91	Kalyani Mobility Inc.	September 14, 2023	498.72
					December 22, 2023	83.19
					December 21, 2023	150.00
					February 01, 2024	20.00
					February 09, 2024	20.00
					March 04, 2024	30.00

Statement of compliance

With regard to the investments made by KPL into KMI, as on March 31, 2024, KPL has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 and the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Particulars of the funding party

- 1 Bharat Forge Limited
- Registered office: Mundhwa, Pune 411036
- Relationship with the beneficiary: Holding Company

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Particulars of ultimate beneficiaries

- 1 Kalyani Mobility Inc.
- Registered office: 160, Mine lake Court, Suite 200, Raleigh, North Carolina 27615, USA
- Relationship with the beneficiary: Wholly owned subsidiary
- 2 Electroforge Limited
- Registered office: S. No. 49, Industry House, Opp Kalyani Steels Ltd Mundhwa, Pune 411036
- Relationship with the beneficiary: Wholly owned subsidiary

2 BF Industrial Solutions Limited, India
Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	April 21, 2023	622.50	JS Auto cast Foundry India Private Limited	April 21, 2023	622.50

Particulars of the funding party

- 1 Bharat Forge Limited
- Registered office: Mundhwa, Pune 411036
- Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

- 1 JS Auto cast Foundry India Private Limited
- Registered office: SF No 165/1 Sembagounden Pudur Kuppepalayam, Coimbatore, Tamil Nadu 641107
- Relationship with the beneficiary: Wholly owned subsidiary

3 Bharat Forge America Inc., USA
Investments

In ₹ Million

Sl. No.	Name of the funding party	Date of receipt	Amount funded by the Holding company	Name of the beneficiary	Date of further investment into beneficiary (subsidiary)	Amount invested into beneficiary (subsidiary)
1	Bharat Forge Limited	February 09, 2024	1,248.30	Bharat Forge Aluminium USA, Inc.	February 09, 2024	1,248.30

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

54.2 DETAILS OF FUNDS RECEIVED BY COMPONENTS OF THE GROUP FROM THE HOLDING COMPANY (FINANCING PARTY), FOR LENDING OR INVESTING IN COMPONENTS OR OTHER PERSON OR ENTITIES (ULTIMATE BENEFICIARIES) FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Loan

In ₹ Million						
Sl. No.	Name of the subsidiary	Date on which loan was given to subsidiary	Amount invested in Subsidiary	Name of the beneficiary	Date on which loan was given by subsidiary into beneficiary	Amount invested by Subsidiary into beneficiary
1	Bharat Forge America Inc.	January 29, 2024	999.12	Bharat Forge Aluminium USA, Inc.	January 29, 2024	999.12

Particulars of the funding party

- 1 Bharat Forge Limited
- Registered office: Mundhwa, Pune 411036
- Relationship with the beneficiary: Holding Company

Particulars of ultimate beneficiaries

- 1 JS Auto cast Foundry India Private Limited Bharat Forge Aluminium USA, Inc.
- Registered office: 2150, Schmiede St, Surgoenville, Tennessee 37873, USA
- Relationship with the beneficiary: Wholly owned Subsidiary

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities other than derivatives, comprise loans and borrowings, trade payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI and FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior Management oversees the management of these risks. The Group's senior management is supported by a Finance and Risk Management Committee (FRMC) that advises on financial risks and the appropriate financial risk governance framework for the Group. The FRMC provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Further, all the derivative activities for risk management purposes are carried out by experienced members from the senior management who have the relevant expertise, appropriate skills and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual funds, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2025.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The below assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024 including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Holding company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates, other than 5.97% rated unsecured non-convertible debentures, 5.80% rated unsecured non-convertible debentures, 7.80% rated unsecured non-convertible debentures & 5.90% rupee term loan from bank which have a fixed interest rate.

The Group's exposure to the risk of changes in market interest rates relates to the long-term debt obligations with floating interest rates ranging from 5.88% to 8.65%

The Group generally borrows in foreign currency, considering natural hedge it has against its export. Long-term and Short-term foreign currency debt obligations carry floating interest rates and in certain cases with fixed interest rates.

The Group avails short-term debt in foreign currency up to tenor of 9 months, in the nature of export financing for its working capital requirements. LIBOR or EURIBOR for the said debt obligations is fixed for the entire tenor of the debt, at the time of availment.

During the year, the Holding company has availed Rupee term loan with floating interest rate from a bank, which is linked to 3 months T-bill.

The Group has an option to reset LIBOR/SOFR or EURIBOR either for 6 Months or 3 months for its long-term debt obligations. To manage its interest rate risk, the Group evaluates the expected benefit from either of the LIBOR resetting options and accordingly decides. The Group also has an option for its long-term debt obligations to enter into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at March 31 2025, the Group's 60.90% of total long-term borrowings are covered under floating rate of interest (March 31 2024: 45.93%).

Interest rate sensitivity

The Group's total interest cost for the year ended March 31, 2025 was ₹ 4,174.93 million and for year ended March 31, 2024 was ₹ 4,753.01 million. The following table demonstrates the sensitivity to a reasonably possible change in interest

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

rates on that portion of loans and borrowings affected, with all other variables held constant. The Group's profit/(loss) before tax is affected through the impact on floating rate long-term borrowings as follows:

Particulars	Change in basis points	Effect on profit before tax and equity	
		March 31, 2025	March 31, 2024
USD	+/- 50	6.84	13.35
EUR*	+/- 50	-	43.41
EUR*	+/- 50	-	-43.41
INR	+/- 50	29.25	-

*During previous year, EURIBOR was trading in negative zone and some of the Euro borrowings were floored at zero EURIBOR while others were trading at floating EURIBOR. Further Euro borrowings include USD borrowings swapped in to EURO borrowings through cross currency swap.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's export revenue, long-term foreign currency borrowings and Group's net investment in foreign subsidiaries and associates.

The Holding Company manages its foreign currency risk by hedging its forecasted sales up to 4 years to the extent of 25%-65% on rolling basis and keep its long-term foreign currency borrowings un-hedged which will be natural hedge against its un-hedged exports. The Holding Company may hedge its long-term borrowing near to the repayment date to avoid rupee volatility in short-term.

The Company avails preshipment credit and export bills discounting facility in INR to avail interest subvention benefit. The Company manages foreign currency risk by hedging the receivables against the said liability. The Company also manages foreign currency risk in relation to export receivable balances through forward exchange contracts.

The following analysis has been worked out based on the net exposures of the Group as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2025:

Particulars	In ₹ Million			
	USD	EUR	GBP	Others
Financial assets	25,672.69	4,940.13	719.97	41.26
Financial liabilities	-23,543.16	-6,419.60	-404.43	-20.05

10% appreciation/depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase/decrease in the Company's profit before taxes by approximately ₹ 98.68 Million for the year ended March 31, 2025.

The Group has not considered net non-current foreign currency loan exposure, being naturally hedged against future unhedged export receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

For the investments in subsidiaries, joint ventures and associates being strategic in nature, does not have any maturity or cash flow hence the same has not been considered for the purpose of unhedged foreign currency exposure.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2024:

Particulars	In ₹ Million			
	USD	EUR	GBP	Others
Financial assets	25,240.04	5,955.87	399.07	3.84
Financial liabilities	-21,988.05	1,376.94	-263.85	-55.33

10% appreciation/depreciation of the functional currency of the Group with respect to various foreign currencies would result in increase/decrease in the Group's profit before taxes by approximately ₹ 1,066.85 Million for the year ended March 31, 2024.

The Group has not considered net non-current loan exposure in foreign currency, being naturally hedged against future unhedged export receivables.

For the investments in joint ventures and associates being strategic in nature, does not have any maturity or cash flow hence the same has not been considered for the purpose of unhedged foreign currency exposure.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group discloses fair value of the outstanding derivative in the financial statements. The impact on the Company's pre-tax equity due to changes in fair value of the outstanding forward contracts as follows:

Change in rate	Effect on OCI		Effect on net profit/(Loss)	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
USD/INR -1	594.09	587.13	-	-
EUR/INR -1	181.58	214.51	-	4.75

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit/loss before tax is due to changes in the fair value of un-hedged monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Change in rate	Effect on Other Comprehensive Income		Effect on net profit/(Loss) before tax and equity	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
USD/INR -1	155.19	55.21	53.86	-69.15
EUR/INR -1	30.88	26.46	89.44	-45.17

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of steel. Due to significant volatility of the price of the steel, the Group has agreed with its customers for pass-through of increase/decrease in prices of steel. There may be lag effect in case of such pass-through arrangement.

Commodity price sensitivity

The Group has a back-to-back pass through arrangements for volatility in raw material prices for most of the customers. However, in few cases there may be lag effect in case of such pass-through arrangements and might have some effect on the Group's profit/(loss) and equity.

Equity price risk

The Group is exposed to price risk in equity investments and classified on the balance sheet as fair value through profit or loss and through Other comprehensive income. To manage its price risk arising from investments in equity, the Group diversifies its portfolio. Diversification and investment in the portfolio are done in accordance with the limits set by the Board of Directors of the Group.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 3,463.27 million (March 31, 2024: ₹ 2,441.75 million). Sensitivity analysis of major investments has been provided in Note 51.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 1,039.13 million (March 31, 2024: ₹ 1,366.01 million). Change of 10% on the NSE market index could have an impact of approximately ₹ 103.91 million (March 31, 2024: ₹ 136.60 million) on the OCI or equity attributable to the Group. These changes would not have an effect on profit or loss.

Other price risk

The Group invests its surplus funds in mutual funds, which are linked to debt markets. The Group is exposed to price risk for investments in such instruments that are classified as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with the Holding Company's investment policy approved by the Board of Directors. An increase/decrease in interest rates by 0.25% will have an impact of ₹ 28.00 million (March 31, 2024: ₹ 26.79 million)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, investment in mutual funds, other receivables and deposits, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Further, the Group's customers include marquee OEMs and Tier I companies, having long standing relationship with the Group. Outstanding customer receivables are regularly monitored and reconciled. At March 31, 2025, receivable from the Group's top 5 customers accounted for approximately 22.92% (March 31, 2024: 57.52%) of all the receivables outstanding. The Company has used a practical expedient by computing the expected credit loss allowance

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

for trade receivables based on a provision matrix (refer table below). Further, an impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped in to homogeneous groups and assessed for impairment collectively. The calculation is based on historical data and subsequent expectation of receipts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Group does not hold collateral as security except in case of few customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Year ended	Particulars	Not yet due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2025	% of loss allowance	0.18%	0.68%	17.34%	43.21%	88.67%	99.56%	1.99%
March 31, 2024	% of loss allowance	1.75%	0.46%	1.19%	12.10%	28.35%	90.12%	2.33%

Other receivables, deposits with banks, mutual funds and loans given

Credit risk from balances with banks, financial institutions and mutual funds is managed in accordance with the Group's approved investment policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on regular basis and the said limits gets revised as and when appropriate. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 is the carrying amounts as illustrated in the respective notes except for financial guarantees. With respect to financial derivative instruments refer note 50.

Liquidity risk

Cash flow forecasting is performed by Treasury function. The Group's liquidity requirements are monitored at the Holding Company and individual component level by respective treasury functions to ensure availability of funds to meet operational needs. Such forecasting takes into consideration the compliance with internal cash management. The Group's treasury invests surplus cash in marketable securities as per the approved policy, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the reporting date, the Group held mutual funds of ₹ 13,092.30 million (March 31, 2024: ₹ 10,550.08 million) and other liquid assets of ₹ 7,220.30 million (March 31, 2024: ₹ 16,780.15 million) that are expected to readily generate cash inflows for managing liquidity risk.

As per the Group's policy, there should not be concentration of repayment of loans in a particular financial year. In case of such concentration of repayment, the Group evaluates the option of refinancing entire or part of repayments for extended maturity. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and the Group is also maintaining surplus funds with short-term liquidity for future repayment of loan.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Group's financial liabilities

In ₹ Million				
Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2025				
Borrowings	49,690.21	12,136.48	1,057.18	62,883.87
Trade and other payables	23,442.12	-	-	23,442.12
Lease Liabilities	474.74	1,511.23	2,112.75	4,098.72
Other financial liabilities	1,654.04	195.38	-	1,849.42
Total	75,261.11	13,843.09	3,169.93	92,274.13
March 31, 2024				
Borrowings	56,630.95	18,589.80	-	75,220.75
Trade and other payables	22,621.22	-	-	22,621.22
Lease Liabilities	484.56	1,641.48	2,366.47	4,492.51
Other financial liabilities	1,814.41	253.09	-	2,190.53
Total	81,551.14	20,484.37	2,366.47	104,525.01

The Management believes that the probability of any outflow on account of financial guarantees and letter of support issued by the Group being called on is remote. Hence the same has not been included in the above table.

56. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the companies incorporated in India w.e.f. April 1, 2023. The Holding Company and its subsidiaries incorporated in India have used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for the instances mentioned below:

- In respect of the Holding Company and its six subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of account.
- In respect of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled for certain tables at the application level of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
- In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to property, plant and equipment, financial reporting process, purchase to payables, revenue to receivables and production to inventory throughout the year.
- In respect of one subsidiary, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to property, plant and equipment, financial reporting process, purchase to payables, payroll, revenue to receivables and production to inventory throughout the year.
- In respect of three subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software relating to financial reporting process, property, plant and equipment, purchase to payables, and revenue to receivables throughout the year.
- In respect of one subsidiary company, the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account relating to financial reporting process, purchase to payables and revenue to receivables throughout the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

56. (CONTD.)

- In respect of the Holding Company and one subsidiary company, the payroll accounting software does not have the feature of recording audit trail (edit log) facility.
- In respect of one subsidiary company, the inventory management software does not have the feature of recording audit trail (edit log) facility.
- In respect of one subsidiary company, the accounting software does not have the feature of recording audit trail (edit log) facility.
- In respect of the Holding Company, in the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation for the accounting software used for consolidation, the audit trail feature at the database level for the said software was not enabled and operated throughout the year for all relevant transactions recorded in the software.

In respect of 4 subsidiaries, the companies have used the accounting softwares for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility. The accounting softwares did not have the audit trail features enabled throughout the year. The subsidiary companies are in the process of establishing necessary controls and documentation regarding audit trail.

Further, where enabled, the Holding Company and its subsidiaries preserved the audit trail as per statutory requirements for records retention.

57. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its financial statements

58. EMPLOYEE SHARE-BASED PAYMENTS

One of the step down subsidiary companies, Tork Motors Private Limited ("TMPL") in the Group has provided share-based payment schemes to its employees. The relevant details of the scheme and the grant are as below:

TMPL had granted options under Employee Stock Option Plan I in the FY 2018-19 pursuant to approval of Shareholders at its meeting held on January 25, 2019 which was subsequently amended and approved in General meeting held on November 12, 2020 and Board meeting held on October 23, 2021 for achieving wider coverage and talent retention (TMPL Amended Employee Stock Option Plan-2020). The said ESOP Plan 2020 was further amended and approved by the Board in its meeting held on 23rd October, 2021 resolving thereby few discrepancies, ambiguities etc.

The fair value of the share options was estimated at the grant date using fair value at which shares were issued to the Holding company considering the terms and conditions upon which the share options were granted. The exercise price of the share options is the face value i.e. ₹ 10. The contractual term of each option granted is 3 years.

In ₹ Million		
Particulars	As at March 31, 2025	As at March 31, 2024
Expense arising from equity-settled share-based payment transactions	-	89.97

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

58. EMPLOYEE SHARE-BASED PAYMENTS (CONTD.)

Movement in share options post acquisition of TMPL by the Group:

Particulars	In ₹ Million	
	As at March 31, 2025	As at March 31, 2024
Outstanding at March 31, 2024	2,101.00	2,101.00
Granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	2,101.00	-
Outstanding at March 31, 2025	-	2,101.00
Exercisable at March 31, 2025	-	2,101.00

The weighted average share price on the date of exercise of these options is ₹ 10. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

Exercise price of the options grated in financial year ended March 31, 2022 was determined based on the price at which equity shares of the TMPL were issued to external investors. Exercise price of the options grated in financial year ended March 31, 2024 has been determined by a Category 1 merchant banker using Black and Scholes Option Pricing Model.

59. OTHER STATUTORY INFORMATION

59.1. Relationship with companies struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956.

Name of the struck off company	Transaction during the period#	Balance outstanding	Nature of transaction	Relationship with the struck off company*
March 31, 2025				
RBC Bearings Pvt Ltd	0.02	0.02	Expense	Vendor
Mechkraft Engineering Pvt Ltd	-	0.18	Expense	Vendor
Unickon Fincap Pvt Ltd	0.00	-	Dividend	Shareholder
D J Share Trading Company Pvt Ltd	0.00	-	Dividend	Shareholder
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder
Arihant Securities Limited	0.00	-	Dividend	Shareholder
March 31, 2024				
RBC Bearings Pvt Ltd	0.02	-	Expense	Vendor
D J Share Trading Company Pvt Ltd	0.00	-	Dividend	Shareholder
Dreams Broking Private Limited	0.00	-	Dividend	Shareholder
Kothari Intergrroup Ltd	0.00	-	Dividend	Shareholder
Aditya Cyber Services And Management Solutions Private Ltd	0.00		Dividend	Shareholder

* These parties are not related parties as per the definition of 'related party' under section 2(76) of the Companies Act 2013.

Amounts disclosed as zero are below the milliion rounding off.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

59. OTHER STATUTORY INFORMATION (CONTD.)

59.2. There are no proceedings initiated or pending against the Group for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

59.3. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

59.4. The Group does not have any charge, which is yet to be registered with Registrar of Companies ('ROC') beyond the statutory period. With regard to satisfaction of charges, a few cases of the Holding Company are outstanding with ROC due to technical reasons and the Holding Company is in the process of obtaining no dues certificates from the lenders, which the Holding Company will be filing with the Registrar of Companies for satisfaction of the related charges.

59.5. During the year ended March 31, 2025, none of the Group Companies incorporated in India has surrendered any transaction or disclosed as income in the tax assessments under the Income Tax Act, 1961, (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

59.6. The Group has not revalued any property, plant and equipment or intangible assets.

59.7. In accordance with the requirements of Division II-Ind AS Schedule III to the Companies Act, 2013, analytical ratios have been disclosed only in standalone financial statements of the Holding Company.

60. The Holding Company has entered into a share purchase agreement ("SPA") for the acquisition of 100% shareholding in AAM India Manufacturing Corporation Private Limited ("AAMIMCPL"), a leading manufacturer of axles for light, medium and heavy commercial vehicles in India. The completion of acquisition shall be subject to fulfilment of conditions precedent and in accordance with the terms agreed upon in the SPA.

As per our report of even date

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

Shiraz Vastani
Partner
Membership Number: 103334

Place: Pune
Date: May 08, 2025

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

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

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

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	% of Holding
1	Bharat Forge Global Holding GmbH	Jan 24 to Dec 24	EUR	89.09	445.43	2,284.27	10,442.55	7,712.85	7,344.20	579.06	19.58	2.18	17.40	100%
2	Bharat Forge CDP GmbH	Jan 24 to Dec 24	EUR	89.09	44.54	3,712.04	10,165.62	6,409.03	138.08	17,891.79	(64.95)	40.63	(105.58)	100%
3	Bharat Forge Holding GmbH	Jan 24 to Dec 24	EUR	89.09	2.23	1,142.55	2,711.64	1,566.87	1,519.02	-	(3.20)	-	(3.20)	100%
4	Bharat Forge Aluminiumtechnik GmbH	Jan 24 to Dec 24	EUR	89.09	739.41	1,451.24	11,349.95	9,159.31	-	15,418.52	(1,171.52)	4.89	(1,176.40)	100%
5	Bharat Forge Kilsta AB	Jan 24 to Dec 24	SEK	7.78	0.16	0.20	5.09	4.73	-	7.88	(0.59)	0.01	(0.61)	100%
6	Bharat Forge Daun GmbH	Jan 24 to Dec 24	EUR	89.09	4.45	315.12	1,590.58	1,271.01	-	1,595.12	229.05	1.85	227.20	100%
7	Mecanique Generale Langroise	Jan 24 to Dec 24	EUR	89.09	53.45	374.96	555.24	126.83	0.01	706.54	139.02	31.15	107.87	100%
8	Bharat Forge America Inc.	Apr 24 to Mar 25	USD	85.58	19,845.05	(9,779.04)	17,695.65	7,629.63	10,352.84	331.23	(2,074.22)	-	(2,074.22)	100%
9	Bharat Forge PMT Technologie LLC	Apr 24 to Mar 25	USD	85.58	4,698.73	(2,727.33)	4,284.31	2,312.90	-	3,958.19	(504.16)	-	(504.16)	100%
10	Bharat Forge Tennessee Inc.	Apr 24 to Mar 25	USD	85.58	400.27	56.31	507.63	51.04	188.35	30.81	(67.92)	3.34	(71.27)	100%
11	Bharat Forge Aluminium USA, Inc.	Apr 24 to Mar 25	USD	85.58	15,008.92	(6,737.62)	21,455.71	13,184.42	-	5,594.80	(1,626.39)	-	(1,626.39)	100%
12	Kalyani Mobility Inc (formerly Kalyani Precision Machining Inc.)	Apr 24 to Mar 25	USD	85.58	0.00	2,026.38	2,117.38	91.00	-	-	(3.81)	2.06	(5.87)	100%
13	Bharat Forge International Limited	Apr 24 to Mar 25	USD	85.58	8.97	3,063.83	28,063.04	24,990.25	-	32,357.98	674.22	117.12	557.09	100%
14	BF Infrastructure Limited	Apr 24 to Mar 25	INR	1.00	2,239.67	(2,081.34)	162.42	4.09	-	0.29	6.19	-	6.19	100%
15	Kalyani Strategic Systems Limited	Apr 24 to Mar 25	INR	1.00	665.11	1,655.34	10,141.46	7,821.01	1,398.64	12,470.29	926.30	239.17	687.12	100%
16	Kalyani Rafael Advanced Systems Private Limited	Apr 24 to Mar 25	INR	1.00	398.03	177.27	2,527.98	1,952.68	-	3,180.88	191.06	50.60	140.46	50%
17	BF Elbit Advanced Systems Private Limited	Apr 24 to Mar 25	INR	1.00	19.80	(210.40)	22.84	213.44	-	-	(22.19)	-	(22.19)	51%
18	Zorya Mashproekt India Private Limited	Apr 24 to Mar 25	INR	1.00	7.70	(5.09)	2.76	0.15	-	5.90	(1.47)	-	(1.47)	64.94%
19	BFIL-CEC JV	Apr 24 to Mar 25	INR	1.00	-	(2.65)	4.88	7.53	-	-	(0.23)	-	(0.23)	74%
20	Kalyani Centre for Precision Technology Limited	Apr 24 to Mar 25	INR	1.00	690.88	175.61	1,177.88	311.39	65.53	592.23	77.64	20.19	57.45	100%
21	Eternus Performance Materials Private Limited	Apr 24 to Mar 25	INR	1.00	1.63	(4.01)	35.16	37.54	-	12.28	1.86	-	1.86	51%
22	Kalyani Powertrain Limited	Apr 24 to Mar 25	INR	1.00	8,286.13	(3,889.29)	4,709.46	312.62	2,560.83	88.66	(3,077.40)	-	(3,077.40)	100%
23	Tork Motors Private Limited (including Lycan Electric Private Limited)	Apr 24 to Mar 25	INR	1.00	0.42	(1,619.97)	38.36	1,657.91	-	14.81	(947.15)	(0.00)	(947.15)	64.29%
24	BF Industrial Solutions Limited (Formerly Nouveau Power and Infrastructure Private Limited)	Apr 24 to Mar 25	INR	1.00	4,910.55	266.55	5,296.32	119.22	-	17.01	(4.12)	-	(4.12)	100%
25	BF Industrial Technology & Solutions Limited (Formerly Sanghvi Forging and Engineering Limited)	Apr 24 to Mar 25	INR	1.00	900.50	56.65	1,265.38	308.23	0.95	1,086.92	55.35	-	55.35	100%
26	J S Auto Cast Foundry India Pvt. Ltd.	Apr 24 to Mar 25	INR	1.00	45.92	2,271.76	6,729.13	4,411.45	13.01	6,970.69	590.14	114.69	475.44	100%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Part “A”: Subsidiaries (contnd.)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit Before Taxation	Provision for taxation	Profit after taxation	% of Holding	In ₹ Million
27	Electroforge Limited	Apr 24 to Mar 25	INR	1.00	0.10	(1.31)	245.43	246.64	-	-	(0.86)	-	(0.86)	100%	
28	Ferrovia Transrail Solutions Private Limited	Apr 24 to Mar 25	INR	1.00	0.10	(39.35)	5.73	44.98	-	-	(7.93)	-	(7.94)	100%	
29	Kalyani Lightweighting Technology Solutions Limited	Apr 24 to Mar 25	INR	1.00	0.01	(0.26)	0.04	0.29	-	-	(0.08)	-	(0.08)	100%	
30	Sagar Manas Technologies Limited	Apr 24 to Mar 25	INR	1.00	0.01	(0.88)	0.00	0.88	-	-	(0.62)	-	(0.62)	51%	
31	Sanghvi Europe BV.	Apr 24 to Mar 25	EUR	89.09	0.01	(9.53)	0.06	9.57	-	-	(0.07)	-	(0.07)	100%	

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.N.	Name of Associates/Joint Ventures	Avaada MHVidarbha Private Limited	Aeron Systems Private Limited	Edgelab S.p.A.	Refu Drive GmbH
1	Latest audited Balance Sheet Date	March 31, 2025	March 31, 2025	December 31, 2024	December 31, 2024
2	Shares of Associate/Joint Ventures held by the company on the year end				
i	Nos.	11,375,000	136,500	769,000	12,500
ii	Amount of Investment in Associates/Joint Venture	117.45	144.36	234.01	409.26
ii	Extend of Holding %	26.00%	37.14%	25.00%	50.00%
3	Description of how there is significant influence	Note-A	Note-A	Note-A	Note-A
4	Reason why the associate/joint venture is not consolidated	Consolidated by equity method	Consolidated by equity method	Consolidated by equity method	Consolidated by equity method
5	Networth attributable to Shareholding as per latest audited Balance Sheet	115.71	119.44	16.61	(29.70)
6	Profit/Loss for the year				
i	Considered in Consolidation	1.71	18.07	-	(56.86)
ii	Not Considered in Consolidation	4.86	30.59		(56.85)

Note:
A. There is significant influence due to percentage(%) of Share Capital.

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

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

Amit Kalyani
Vice-Chairman and Joint Managing Director
DIN: 00089430

Kedar Dixit
Senior Vice President and CFO

Tejaswini Chaudhari
Company Secretary
Membership Number: 18907

Place: Pune
Date: May 08, 2025

BHARAT FORGE



BHARAT FORGE LIMITED

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