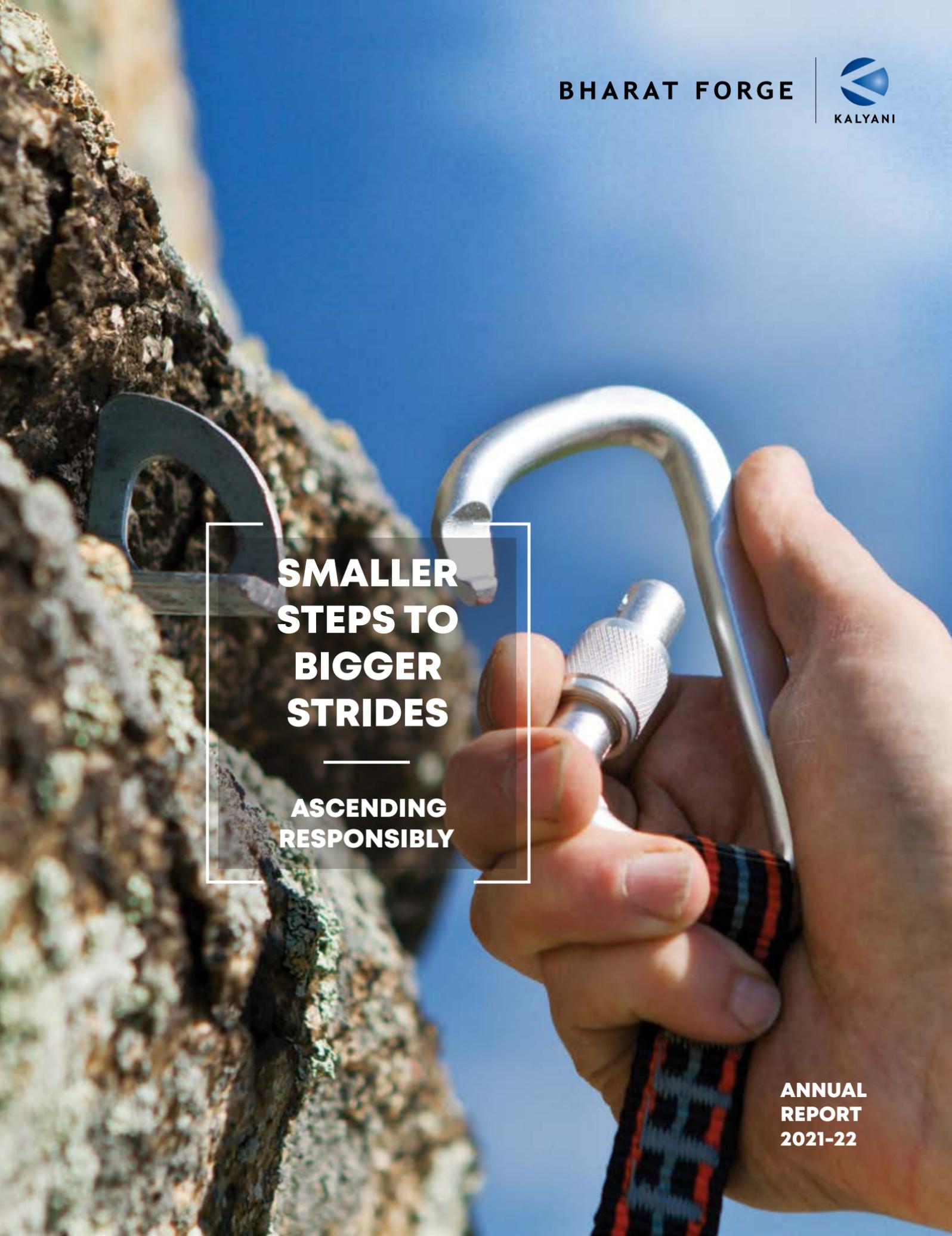


**BHARAT FORGE**



**SMALLER  
STEPS TO  
BIGGER  
STRIDES**

**ASCENDING  
RESPONSIBLY**

**ANNUAL  
REPORT  
2021-22**

# WELCOME TO OUR ANNUAL REPORT 2021-22

## Corporate Information

### Bankers

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

### Auditors

S R B C & Co LLP  
Chartered Accountants

### 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](mailto:secretarial@bharatforge.com)

**Web:** [www.bharatforge.com](http://www.bharatforge.com)

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# About the Report

## Basis of Reporting

This is our third year of integrated reporting based on the principles of Integrated Reporting <IR> by the International Integrated Reporting Council (IIRC). This reporting is in line with our philosophy of transparently disclosing information beyond the statutory norms. We have tried to provide all-inclusive insight of our value creation process and factors that may affect it. The Report covers the six capitals – Financial, Manufactured, Human, Intellectual, Social & Relationship and Natural capital – that we use in our business. Further, we cover information on material matters, governance, performance and prospects in context of external environment. Our intent is to provide information to the stakeholders to better equip them to evaluate our performance and take an informed decision.

## Reporting Principle

This Report has been prepared in accordance with:

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

Other international guidelines in accordance with:

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

## Boundary and Scope of Reporting

The Report covers financial and non-financial information and activities of Bharat Forge Limited, India for the period of April 1, 2021 to March 31, 2022. We have captured significant material events up to Board Meeting held on May 16, 2022.

## Board Assurance

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

## Forward-looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those

regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

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

## United Nations Sustainable Development Goals (UN SDGs)



## Our Capitals



### Financial Capital

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



### Manufactured Capital

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



### Intellectual Capital

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



### Human Capital

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



### Social and Relationship Capital

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



### Natural Capital

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



## **Out of Adversity Comes Opportunity**

- Benjamin Franklin

**Adverse conditions can cause some to break. Yet, there are others who consider them as opportunities. They introspect and redefine their strategies. They build newer competencies and raise the bar. They are determined to break the mold and rise higher.**

**At Bharat Forge, we seek inspiration from the mountaineers and rock climbers whose ultimate goal is to conquer the summit. They must overcome falling rocks, dehydration, an aching body and a tiring mind. They must choose the right path, be convinced of it, and move towards it courageously by setting smaller goals.**

More importantly, the climbers must pay attention to smaller details. A carabiner, the workhorse amongst the climber's gear, is one such thing. A small and simple metal snap-link, yet its significance outweighs the others. It connects all the different parts of the climbing safety system to keep the climber safe, giving them the confidence to keep ascending to greater heights.

A similar enterprising spirit is what keeps Bharat Forge moving ahead courageously in the direction that we are convinced will bear strong results. There have been challenges, but we have continued to progress cautiously. We have paid attention to smaller details; strengthening our R&D competencies, gearing people with future-ready skills and improving financial integrity. At the same time, we have responded positively to opportunities with unwavering and single-minded focus.

With each smaller step that we have been climbing, we are making a bigger stride towards the summit. More importantly, we are ensuring to ascend responsibly. We are working with our customers to deliver products that are less resource-intensive. We are actively focused on reducing usage of natural resource in our operations, increasing renewable energy usage and making 'Green' a competitive proposition.

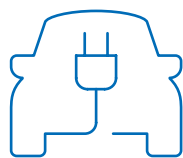
Our business today is aligned to the bigger global agenda as well as that of India's *Atmanirbharta*, and we have all competencies to deliver on them and create value for all.

At Bharat Forge, we are responsibly progressing from

**Smaller Steps to  
Bigger Strides.**

# Highlights of the Year





### Maiden order in E-mobility Business

We received maiden orders for E-mobility components and our subsidiary Tork Motors launched their flagship electric motorbikes. Kalyani Powertrain Limited (KPTL), as a 100% subsidiary was established, to consolidate all E-mobility related initiative under it.



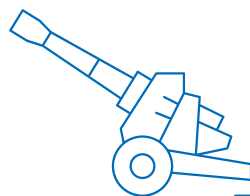
### JS Auto Cast acquisition

We signed the SPA to acquire JS Auto Cast Foundry India (JS Auto Cast). It primarily operates in the industrial castings space and will strengthen our industrial business presence in terms of widening portfolio and providing access to new customers.



### Commencement of US Aluminum Forgings plant

The Aluminum forgings facility at North Carolina commenced operations and the capacity is already sold out, addressing customers across traditional & EV platforms. This plant is working in collaboration with Germany and India, to deliver on the rising demand for light-weight vehicle components



### ATAGS Completes Final Trials

Our Advanced Towed Artillery Gun System (ATAGS), designed by DRDO, has successfully completed its fifth and final firing trials.



### Delivered Solid Financial Performance

Delivered a broad-based performance with improvements across all key performance indicators. Revenue grew by 71.3% to ₹ 62,546 Million and EBITDA by 129.2% to ₹ 16,804 Million.



### Strong Order Bookings

We bagged new business worth ₹ 10,000 Million in FY 2022, bulk of order wins coming from PV & Industrial sectors.

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# Message from the Chairman and Managing Director



Dear Shareholders,

It is my privilege to write to you to present the performance of the Company in FY 2022. I hope this letter finds you all in good health.

The past two years have been fairly challenging to say the least. The pandemic and its impact in various parts of the world, the global supply chain disruption and the Russia-Ukraine war; all have triggered unprecedented volatility and uncertainties.



I take this moment to express gratitude to our team globally who have done a commendable job to ensure that the Company delivers on the commitment made to our customers globally.

The strong revival in consumer demand post pandemic alongside the supply chain constraints has triggered a greater challenge of hyperinflation with sharp price increase in all major commodities including food items. The central banks of many countries have raised the interest rates to control the scenario.

## Automobile Industry

The year gone by has been a mixed one for the automotive industry. On the one hand, the demand was fairly strong, yet on the other, supply side challenges made it difficult to fulfill them. Globally, sales

were impacted because of the semi-conductor crisis and the waiting period only got longer as production was constrained.

FY 2022 performance of the Indian Automotive industry looks healthy, given the low base of COVID-impacted FY 2021. However, the industry's production in FY 2022 is still down more than 25% when compared to peak volumes registered in FY 2019. Hopefully the coming years hold much better prospects for the industry as a whole.