

# BHARAT FORGE LIMITED

Registered Office: Mundhwa, Pune Cantonment, Pune - 411 036.



## NOTICE

NOTICE is hereby given that the Fifty-second Annual General Meeting of the Members of **Bharat Forge Limited** will be held on Thursday, August 8, 2013 at 10.30 A.M. (I.S.T.) at the Registered Office of the Company at Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the financial year ended as on that date and 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.
3. To appoint a Director in the place of Mr. G.K. Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. P.C. Bhalerao, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr. P.G. Pawar, who retires by rotation, and being eligible, offers himself for re-appointment.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. S.D. Kulkarni, a Director liable to retire by rotation, who does not seek re-election, be and is hereby not appointed as a Director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Dr. Uwe Loos, a Director liable to retire by rotation, who does not seek re-election, be and is hereby not appointed as a Director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled."

8. To appoint Auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Pune [Firm Registration No. 301003E] be and are hereby appointed as the Statutory Auditors of the Company, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration which shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], **Mr. Vimal Bhandari**, who was appointed as an Additional Director pursuant to the provisions of Section

260 of the Act and the Articles of Association of the Company, be and is hereby appointed as Director of the Company, liable to retirement by rotation under the provisions of the Articles of Association of the Company."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to such other sanctions/approvals, as may be necessary or required, consent of the Company be and is hereby accorded to the re-appointment of **Mr. B.N. Kalyani** as the Managing Director of the Company for a period of five (5) years with effect from March 30, 2013 (i.e. from March 30, 2013 to March 29, 2018) on the following terms and conditions including remuneration:

#### I. Salary:

A salary of ₹ 2,875,000/- (Rupees Twenty eight lakh seventy five thousand only) per month in the grade of ₹ 2,500,000/- (Rupees Twenty five lakh only) to ₹ 5,000,000/- (Rupees Fifty lakh only).

The Board is authorised to determine the Salary and grant such increases in Salary and/ or Allowances by whatever name called from time to time within the aforesaid limit.

#### II. Commission:

Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.

#### III. Perquisites:

Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

#### CATEGORY 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

##### (i) Housing I:

The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:

Sixty percent (60%) of the salary over and above ten percent (10%) payable by the Managing Director.

##### Housing II:

In case the accommodation is owned by the Company, ten percent (10%) of the salary of the Managing Director shall be deducted by the Company.

##### Housing III:

In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I above.

**Explanation:**

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent (10%) of the salary of the Managing Director.

(ii) Medical reimbursement:

As per the rules of the Company.

(iii) Leave travel concession:

For the Managing Director and his family in accordance with the rules of the Company.

(iv) Club fees:

Fees of clubs subject to a maximum of two (2) clubs. This will not include admission and life membership fees.

(v) Personal accident insurance:

As per the rules of the Company.

**Explanation:**

For the purpose of Category 'A', 'family' means the spouse, the dependent children and dependent parents of the Managing Director.

**CATEGORY 'B'**

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity to be paid as per the rules of the Company.
3. Encashment of leave at the end of the tenure.
4. Retirement and other benefits as per the rules of the Company.

**CATEGORY 'C'**

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

Notwithstanding anything herein, where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approval, if any, as may be required under the Companies Act, 1956 and rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to **Mr. B.N. Kalyani** as may be permissible under Schedule XIII to the Companies Act, 1956 (as may be amended from time-to-time) or by way of any government guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of the Managing Director is not in excess of the maximum permissible under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting."

11. 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 198, 269 and 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to such sanctions/ approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of **Mr. G.K. Agarwal** as the Deputy Managing Director of the Company for a period of five (5) years with effect from April 1, 2013 (i.e. from April 1, 2013 to March 31, 2018) on the following terms and conditions including remuneration:

I. Salary:

A salary of ₹ 1,378,000/- (Rupees Thirteen lakh seventy eight thousand only) per month in the grade of ₹ 1,100,000/- (Rupees Eleven lakh only) to ₹ 3,000,000/- (Rupees Thirty lakh only).

The Board is authorised to determine the Salary and grant such increases in Salary and / or Allowances by whatever name called from time to time within the aforesaid limit.

II. Commission:

Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.

III. Perquisites:

Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

**CATEGORY 'A'**

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

(i) Housing I:

The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:

Sixty percent (60%) of the salary over and above ten percent (10%) payable by the Deputy Managing Director.

Housing II:

In case the accommodation is owned by the Company, ten percent (10%) of the salary of the Deputy Managing Director shall be deducted by the Company.

Housing III:

In case no accommodation is provided by the Company, the Deputy Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I above.

**Explanation:**

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent (10%) of the salary of the Deputy Managing Director.

- (ii) Medical reimbursement:  
As per the rules of the Company.
- (iii) Leave travel concession:  
For the Deputy Managing Director and his family in accordance with the rules of the Company.
- (iv) Club fees:  
Fees of clubs subject to a maximum of two (2) clubs. This will not include admission and life membership fees.
- (v) Personal accident insurance:  
As per the rules of the Company.  
Explanation:  
For the purpose of Category 'A', 'family' means the spouse, the dependent children and dependent parents of the Deputy Managing Director.

#### CATEGORY 'B'

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity to be paid as per the rules of the Company.
3. Encashment of leave at the end of the tenure.
4. Retirement and other benefits as per the rules of the Company.

#### CATEGORY 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Deputy Managing Director.

Notwithstanding anything herein, where in any financial year during the currency of tenure of the Deputy Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approval, if any, as may be required under the Companies Act, 1956 and rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to **Mr. G.K. Agarwal** as may be permissible under Schedule XIII to the Companies Act, 1956 (as may be amended from time-to-time) or by way of any government guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of the Deputy Managing Director is not in excess of the maximum permissible under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting."

12. 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 198, 269 and 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof

for the time being in force) and subject to such sanctions/ approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of **Mr. Sunil K. Chaturvedi** as Executive Director of the Company for a period of five (5) years from May 20, 2013 [i.e. from May 20, 2013 to May 19, 2018] on the following terms and conditions including remuneration:

#### I. Salary:

A salary of ₹ 1,013,000/- (Rupees Ten lakh thirteen thousand only) per month in the grade of ₹ 800,000/- (Rupees Eight lakh only) to ₹ 2,000,000/- (Rupees Twenty lakh only).

The Board is authorised to determine the Salary and grant such increases in Salary and/ or Allowances by whatever name called from time to time within the aforesaid limit.

#### II. Commission:

Commission to be paid based on net profit of the Company in a particular year, which put together with salary and perquisites shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.

#### III. Perquisites:

Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

#### CATEGORY 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided as under:

#### (i) Housing I:

The expenditure by the Company on hiring furnished accommodation will be subject to the following ceiling:

Sixty percent (60%) of the salary over and above ten percent (10%) payable by the Executive Director.

#### Housing II:

In case the accommodation is owned by the Company, ten percent (10%) of the salary of the Executive Director shall be deducted by the Company.

#### Housing III:

In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I above.

#### Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent (10%) of the salary of the Executive Director.

#### (ii) Medical reimbursement:

As per the rules of the Company.

#### (iii) Leave travel concession:

For the Executive Director and his family in accordance with the rules of the Company.

#### (iv) Club fees:

Fees of clubs subject to a maximum of two (2) clubs. This will not include admission and life membership fees.

- (v) Personal accident insurance:

As per the rules of the Company.

Explanation:

For the purpose of Category 'A', 'family' means the spouse, the dependent children and dependent parents of the Executive Director.

#### CATEGORY 'B'

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity to be paid as per the rules of the Company.
3. Encashment of leave at the end of the tenure.
4. Retirement and other benefits as per the rules of the Company.

#### Category 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.

Notwithstanding anything herein, where in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approval, if any, as may be required under the Companies Act, 1956 and rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to **Mr. Sunil K. Chaturvedi** as may be permissible under Schedule XIII to the Companies Act, 1956 (as amended from time-to-time) or by way of any government guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of Executive Director is not in excess of the maximum permissible under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting."

By Order of the Board of Directors

AJAY SHARMA  
Vice President (Legal)  
& Company Secretary

May 25, 2013  
Registered Office:  
Mundhwa, Pune Cantonment,  
Pune 411 036, Maharashtra, India

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HERSELF/HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**

2. Corporate Members are requested to send board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
3. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the Attendance Slip for attending the meeting to facilitate identification of membership at the meeting.
4. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depositories Participants and those holding shares in physical form are to intimate the abovesaid changes to the Secretarial Department at the Registered Office of the Company.
5. In terms of Article 161 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. G.K. Agarwal, Mr. P.C. Bhalerao, Mr. P.G. Pawar, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.

Mr. S.D. Kulkarni and Dr. Uwe Loos, Directors of the Company have expressed their intention not to seek re-election at the ensuing Annual General Meeting.

Non-executive Directors- Mr. P.C. Bhalerao, Mr. P.G. Pawar and Dr. Uwe Loos are not holding any shares of the Company. However, Mr. S.D Kulkarni is holding 2,740 equity shares of ₹ 2 each of the Company.

6. Brief Profile of Directors proposed to be re-appointed, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
7. The final dividend on Equity Shares, if declared at the meeting, shall be credited/dispatched on and from August 26, 2013 to those Members whose names appear in the Company's Register of Members i.e. for those Members holding Shares in the physical form and those holding Shares in Demat Form as beneficiary owners in the record of the Depositories on Friday, August 2, 2013.
8. **The Company's Share Transfer Books and the Register of Members will remain closed from Saturday, August 3, 2013 to Thursday, August 8, 2013 (both days inclusive) for determining the names of members eligible for final dividend on equity shares, if declared at the meeting.**
9. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. upto the date of the meeting.

10. Members are requested to bring their attendance slip along with the copy of annual report to the Meeting.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members of the Company will be entitled to vote.
12. Those Members who have not encashed/received their Dividend Warrants for the previous year(s), may approach the Secretarial Department at the Registered Office of the Company for claiming unpaid/ unclaimed dividend. [Also refer to Note No. 13 below].
13. Dividends which remain unclaimed/unencashed for a period of Seven (7) years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under the provisions of Sections 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the Shareholders shall lie for the unclaimed Dividend once the same is transferred to IEPF.
14. Equity Shares of the Company are under compulsory demat trading by all investors. Those Members who have not dematerialised their shareholding are advised to dematerialise their shareholding to avoid any inconvenience in future.
15. On July 27, 2005 the Company had sub-divided its Equity Shares of the Face Value of ₹ 10 each into Equity Shares of the Face Value of ₹ 2 each. Accordingly, the Members were requested to surrender their old Share Certificate(s) of the face value of ₹ 10 each and obtain from the Company the new Share Certificate(s) of the face value of ₹ 2 each. Those Members who have still not obtained the new Share Certificate(s) of the face value of ₹ 2 each are requested to approach the Secretarial Department at the Registered Office of the Company and exchange their old Share Certificate(s) with the new one.
16. Non-Resident Indian Members are requested to inform the Company, immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company for consolidation into a single folio.
19. Green initiative in Corporate Governance:  
The Ministry of Corporate Affairs has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, including change, if any, are requested to register

their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and Members who hold shares in physical form with the Company at investor@bharatforge.com or at its Registered Office at Secretarial Department, Mundhwa, Pune Cantonment, Pune - 411 036 Maharashtra, India, immediately.

20. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.

#### **ANNEXURE TO THE NOTICE**

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.

The following Explanatory Statement sets out, as required by Section 173(2) of the Companies Act, 1956, the material facts relating to Item Nos. 6, 7 & 9 to 12 in the accompanying notice dated May 25, 2013.

#### **ITEM NO. 6:**

In accordance with the provisions of Section 256 of the Act and the Articles of Association of the Company, Mr. S.D. Kulkarni, retires by rotation at the ensuing Annual General Meeting. Mr. S.D. Kulkarni, has desired not to seek re-election. It has been decided by the Board that the vacancy so created on the Board of Directors of the Company should not be filled. The Board recommends the resolution for approval by the Members.

Mr. S.D. Kulkarni is a Director of the Company and is also the Chairman of the Finance Committee and Investor Grievance Committee. Mr. S.D. Kulkarni is also a member of Remuneration committee. The Board has placed on record its appreciation of the contribution made by Mr. S.D. Kulkarni to the Company.

Mr. S.D. Kulkarni, is concerned or interested in Item No. 6 of the accompanying Notice.

#### **ITEM NO. 7:**

In accordance with the provisions of Section 256 of the Act and the Articles of Association of the Company, Dr. Uwe Loos, retires by rotation at the ensuing Annual General Meeting. Dr. Uwe Loos, has desired not to seek re-election. It has been decided by the Board that the vacancy so created on the Board of Directors of the Company should not be filled. The Board recommends the resolution for approval by the Members.

Dr. Uwe Loos is a Director of the Company. The Board has placed on record its appreciation of the contribution made by Dr. Uwe Loos to the Company.

Dr. Uwe Loos, is concerned or interested in Item No. 7 of the accompanying Notice.

#### **ITEM NO. 9:**

The Board of Directors ("the Board") on February 8, 2013 have, pursuant to the provisions of Section 260 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and referred hereinafter as "the Act") and Article 141 of the Articles of Association of the Company, appointed Mr. Vimal Bhandari as an Additional Director of the Company. In terms of the provisions of Section 260 of the Act, Mr. Vimal Bhandari will hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of ₹ 500 proposing the candidature of Mr. Vimal Bhandari for office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956. Accordingly,

Mr. Vimal Bhandari is proposed to be appointed as a Non-executive Independent Director, on the Board of the Company, liable to retire by rotation.

The Board recommends the resolution set out in Item No. 9 of the Notice for the approval of the members of the Company.

Mr. Vimal Bhandari is not related to any Director and does not hold any shares of the Company.

Save and except Mr. Vimal Bhandari, none of the other Directors of the Company is in any way concerned or interested in the resolution set out in Item No. 9 of the Notice.

#### **ITEM NOS. 10 TO 12:**

The previous terms of appointments of Mr. B.N. Kalyani, Managing Director; Mr. G. K. Agarwal, Deputy Managing Director and Mr. Sunil K. Chaturvedi, Executive Director, expired on March 29, 2013, March 31, 2013 and May 19, 2013, respectively. On the recommendations from the Remuneration Committee, the Board of Directors of the Company has approved the re-appointment of Mr. B.N. Kalyani, Managing Director; Mr. G.K. Agarwal, Deputy Managing Director and Mr. Sunil K. Chaturvedi, Executive Director of the Company for a further period of five (5) years. Mr. B.N. Kalyani, Mr. G.K. Agarwal and Mr. Sunil K. Chaturvedi, have been drawing remuneration as approved by the Members. The Board at its meeting held on May 25, 2013, approved the terms of remuneration of Mr. B.N. Kalyani, Mr. G.K. Agarwal and Mr. Sunil K. Chaturvedi as detailed in the respective resolutions.

Approval of the Members is sought for re-appointment and payment of remuneration to Mr. B.N. Kalyani, Mr. G.K. Agarwal and Mr. Sunil K. Chaturvedi, as detailed in the resolution(s), during the respective terms of their re-appointments. The Directors recommend the resolution(s) for approval of the Members.

Profile, Other Directorships and Shareholding:

#### **Mr. B.N. Kalyani**

Mr. B.N. Kalyani [64] is the Chairman and Managing Director of the Company. Mr. Kalyani is a Mechanical Engineer from the Birla Institute of Technology & Sciences, Pilani, Rajasthan. He has done his M.S. from the Massachusetts Institute of technology, USA. Mr. Kalyani is Vice President of the Maratha Chamber of Commerce, Industries and Agriculture. Mr. Kalyani is also a member of Indo-German Chamber of Commerce, Chairman of Indo Japan Chamber of Commerce and a member of the Advisory Committee of Robert Bosch GmbH, Germany.

Other Directorships:

Mr. B.N. Kalyani is also Director on the Board of Kalyani Steels Limited, Automotive Axles Limited, Hikal Limited, Nandi Infrastructure Corridor Enterprises Limited, Kalyani Hyes Lemmerz Limited, Kalyani Carpenter Special Steels Limited, Meritor HVS (India) Limited, BF Utilities Limited, Nandi Economic Corridor Enterprises Limited, BF-NTPC Energy Systems Limited, BF Investment Limited, Kalyani ALSTOM Power Limited, ALSTOM Bharat Forge Power Limited, Impact Automotive Solutions Limited, Epicenter Technologies Private Limited, Khed Economic Infrastructure Private Limited, BF Elbit Advanced Systems Private Limited, Institute For Prostate Cancer, Kalyani (Mauritius) Private Limited, Xapiola Holdings Limited, AB SKF and also director on the Board of subsidiaries of the Company viz; Bharat Forge Daun GmbH, Bharat Forge America Inc., CDP Bharat Forge GmbH, Bharat Forge Aluminiumtechnik GmbH & Co. KG, Bharat Forge Kilsta A.B. Sweden, Bharat Forge Scottish Stampings Ltd., Bharat Forge Hong Kong Limited, FAW Bharat Forge (Changchun) Co. Ltd. and Bharat Forge International Limited.

Committee Memberships:

Member of Audit Committee in Kalyani Steels Limited & Kalyani Alstom Power Limited.

Mr. B.N. Kalyani holds 39,025 Equity Shares of ₹ 2 each of the Company.

#### **Mr. G.K. Agarwal**

Mr. G.K. Agarwal [62] is B.E. (Mech) & MBA and Deputy Managing Director of the Company.

Other Directorships:

Mr. G.K. Agarwal is a Director on the Board of BF Utilities Limited. Mr. G.K. Agarwal is also Director on the Board of Directors of the Subsidiaries of the Company, viz. Bharat Forge Aluminiumtechnik GmbH & CO. KG, CDP Bharat Forge GmbH, Bharat Forge Daun GmbH and Bharat Forge Hong Kong Limited.

Committee Memberships: NIL.

Mr. G.K. Agarwal is not related to any Director.

Mr. G.K. Agarwal holds 2,455 Equity Shares of ₹ 2 each of the Company.

#### **Mr. Sunil K. Chaturvedi**

Mr. Sunil K. Chaturvedi [50] is a commerce graduate and a Chartered Accountant.

Other Directorships:

Mr. Sunil K. Chaturvedi is Director on the Board of BF-NTPC Energy Systems Ltd., ALSTOM Bharat Forge Power Ltd., BF Infrastructure Ltd., BF Infrastructure Ventures Ltd., BF Power Equipments Ltd., David Brown Bharat Forge Gear Systems India Limited, Kalyani Mining Ventures Private Limited and Behraband North Extension Mine Private Limited.

Committee Memberships:

Member of Audit Committee in BF-NTPC Energy Systems Limited.

Mr. Sunil K. Chaturvedi is not related to any Director and does not hold any shares of the Company.

Mr. B.N. Kalyani and Mr. Amit B. Kalyani, being relatives, may be regarded as concerned with or interested in the resolution relating to re-appointment and payment of remuneration of Mr. B.N. Kalyani. No other Director is concerned with or interested in the resolution under Item No. 10.

Mr. G.K. Agarwal and Mr. Sunil K. Chaturvedi may be regarded as concerned with or interested in the resolution(s) relating to their respective re-appointments and remuneration. No other Director is concerned with or interested in the resolution(s) under Item Nos. 11 and 12.

The above including resolutions may be regarded as an "Abstract of the terms of appointments and memorandum of interest" under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

AJAY SHARMA  
Vice President (Legal)  
& Company Secretary

May 25, 2013  
Registered Office:  
Mundhwa, Pune Cantonment,  
Pune 411 036, Maharashtra, India

# BHARAT FORGE LIMITED

## ATTENDANCE SLIP

Registered Office: Mundhwa, Pune Cantonment, Pune - 411 036.

NAME OF THE MEMBER/PROXY*			
DPID / CLIENT ID**		No. of Shares held	
FOLIO NO.			

I hereby record my presence at the Fifty-second Annual General Meeting held at the Registered Office of the Company at Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India, on Thursday, August 8, 2013 at 10.30 a.m. (I.S.T.)

SIGNATURE OF THE MEMBER/PROXY\*

\* Strike out whichever is not applicable.

\*\* Applicable for Members holding shares in Dematerialised form.

**Note:** Please handover this slip at the entrance of the Meeting Venue.

----- ✂ ----- (Cut here) ----- ✂ -----

## PROXY

# BHARAT FORGE LIMITED

Registered Office: Mundhwa, Pune Cantonment, Pune - 411 036.

I/We .....  
of .....  
being a Member(s) of BHARAT FORGE LIMITED, Pune, hereby appoint .....  
.....of .....  
or failing him/her .....  
of..... as my / our proxy to attend and vote  
for me / us on my / our behalf at the Fifty-second Annual General Meeting to be held on Thursday, August 8, 2013 at 10.30 a.m. (I.S.T.)  
at the registered office of the Company and at any adjournment thereof.

Signed this ..... day of ..... 2013

DPID / CLIENT ID*		No. of Shares held	
FOLIO NO.			

\* Applicable for Members holding shares in Dematerialised form.

Please  
Affix  
Revenue  
Stamp

Signature(s) of Member(s)  
across the stamp

**Note:** The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.







Deep-rooted Innovation

52<sup>nd</sup> Annual Report 2012-13

# Contents

## COMPANY REVIEW

- 02** Delivering Value Over a Decade
- 08** Reaffirming Vision, Reinforcing Leadership
- 10** Board of Directors
- 11** Corporate Information
- 12** Chairman's Message

### **Growth Strategies: Stories of Delivering Growth**

- 16** Full Service Supply Capability
- 18** Delivering Value through Numbers
- 20** Accelerating Value Creation
- 22** Delivering Value to the Team
- 24** Strengthening Societal Value
- 26** ED's Corner
- 28** Executive Team

## STATUTORY REPORTS

- 29** Management Discussion & Analysis
- 43** Report on Corporate Governance
- 60** Directors' Report

## FINANCIALS

- 70** Auditors Report
- 74** Standalone Financials
- 131** Consolidated Financials

## CAUTIONARY STATEMENT

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