

Bharat Forge Limited
Transcript of 63rd Annual General Meeting held on
Friday, August 9, 2024

Ms. Tejaswani Chaudhari (Company Secretary): Namaskar and good morning everyone, I am the Tejaswani Chaudhari, the Company Secretary of Bharat Forge Limited. I welcome you all to the 63rd Annual General Meeting of the Company being conducted through video conferencing. I hope that you and your family members are safe and in good health.

Before the official commencement of this AGM by our Chairman, I would like to brief you on certain points regarding the participation in this meeting. The shareholders have been provided with the facility to join the meeting through video conferencing on first-come-first-serve basis. Your Company has tied up with Link Intime to avail the facility of e-voting and participating in this AGM through video conferencing.

Members who have not yet cast their votes through remote E-voting and who are now participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by Link Intime. The register of Directors and key managerial personnel and the register of contacts and claim units have been made available electronically for inspection by members during the AGM. As the AGM is being conducted through video conferencing, the facility of appointment of proxies by members was not applicable. Hence, the proxy register for inspection is not available. All the members joining this meeting are placed by default in mute mode to avoid any background noise disturbance and to ensure smooth and seamless conduct of the meeting. The Company has received requests from a few members to register them as a speaker at the meeting.

Accordingly, the floor will be open for these members to ask their questions and express their views. The moderator will announce their names one by one. The speaker on his or her turn will be unmuted by the moderator. The concerned speaker will then be requested to click on the audio-video button appearing on their screen only once and wait till the video is on. If video mode is not turned on, then the speaker may speak in audio mode. If there is any connectivity problem at the speaker's end, we will ask the next speaker to join.

Once the connectivity improves, the speaker member will be reconnected to speak after the other speakers complete their return. Once they are allowed to speak, the speaker is requested to mention their name, folio number and the place from where they are joining the meeting. We would like to request all the members, all the speakers to limit their speeches to a maximum of 5 minutes. During the AGM, if any member faces any technical issue, he or she may connect to the helpline number mentioned in the AGM notice. We have the requisite quorum present through the video

conference to conduct the proceedings of the meeting. Participation of members through video conference is being recorded as a statutory requirement. Livestreaming of this AGM is also webcast through Link Intime platform. Members may note that the AGM is being recorded. Therefore, please do not disclose any sensitive personal information or personally identified information belonging to you or any other person that has no bearing on this meeting.

Thank you very much for your attention and cooperation. I now request the Chairman to officially commence the proceedings of the 63rd Annual General Meeting of Bharat Forge Ltd. Thank you. Over to you, Sir.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Thank you, Tejaswani. Good morning, ladies and gentlemen.

I, Baba Kalyani, Chairman of the Company, participating in this AGM from our registered offices of Bharat Forge in Pune, extend a warm welcome to you at the 63rd Annual General Meeting of your Company. The Annual General Meeting of the Company is being conducted through virtual mode in compliance with the directives issued by the Ministry of Commerce, Ministry of Corporate Affairs and Securities and Exchange Board of India. We here at Bharat Forge have always appreciated the physical presence of our shareholders. However, conducting the Annual General Meeting through a video conference allows seamless participation by shareholders as well as provides a platform for a wider section of shareholders to join the meeting in the comfort of their location, fostering greater engagement. As your Company strives for sustainability and adaptability, the shift to video conferencing aligns with these goals. As the requisite quorum is present, I now call the meeting to order.

Before we begin the proceedings of this Annual General Meeting, I would like to welcome Mr. Ashish Bharat Ram and Mr. Anand Pathak, who have been inducted on the board of Bharat Forge Limited since the last Annual General Meeting. I would now request my colleagues to introduce themselves by stating their full name and location from where they are attending the meeting. Since Mr. Amit Kalyani is attending this meeting with me, I will begin with him.

Mr. Amit Kalyani (Vice-Chairman and Joint Managing Director): Good morning, ladies and gentlemen. My name is Amit Kalyani, Vice-Chairman and Joint Managing Director of Bharat Forge. I am also the Chairman of the ESG Committee and Member of the Finance and Risk Management Committee and CSR Committee. I am attending this meeting from the Registered Office of Bharat Forge Limited.

Mr. Pratap G. Pawar (Independent Director): I am Pratap Pawar, joining this meeting from my residence in Baner Road, Pune. I am alone. I have received all the

documents. I can see you. I am the Audit Committee Chairman and CSR Committee Chairman, and welcome everybody. Thank you.

Mrs. Lalita Gupte (Independent Director): Good morning. I am Lalita Gupte, Independent Director of the Company. I am a member of the Stakeholders Relationship Committee. I am participating in the AGM from my residence in Pune. Thank you.

Ms. Sonia Singh (Independent Director): Good morning, shareholders. I am Sonia Singh, Independent Director of your Company. I am participating in this AGM from Mumbai. Thank you.

Mr. K.B.S. Anand (Independent Director): Good morning, everyone. I am KBS Anand, Independent Director of your Company. I am speaking from my residence in Mumbai. Thank you, everyone.

Mr. P.H Ravikumar (Independent Director): Good morning, shareholders. I am P. H. Ravi Kumar, Independent Director of the Company. I am participating in the meeting from my residence in Mumbai. Thank you all.

Mr. Vimal Bhandari (Independent Director): Good morning. My name is Vimal Bhandari. I am participating in this meeting from my office in Mumbai. I am a member of the Audit Committee, the NRC, and the Risk and Management Committee. Thank you.

Mr. Dipak Mane (Independent Director): Good morning, everyone. I am Deepak Mane, Independent Director of the Company. I am participating in this Annual General Meeting from the Bharat Forge office in Pune. I am a member and Chairperson of the Nominations and Remuneration Committee and also a member of the ESG Committee. Thank you very much.

Mr. Anand Pathak (Independent Director): Good morning, everyone. I am Anand Pathak, Additional Independent Director of the Company. I am participating in this Annual General Meeting from my office in New Delhi. Thank you all.

Mr. Ashish Bharat Ram (Non-Executive Non-Independent Director): Good morning, everyone. I am a Non-Executive, Non-Independent Director of your Company. I am attending this meeting from my office in Gurgaon. Thank you.

Mr. B.P. Kalyani (Executive Director): Good morning. Good morning, everyone. I am Basavraj Kalyani. I am an Executive Director in the Company. I am attending this meeting via video conferencing from my office in Mundhwa. Thank you.

Mr. Subodh Tandale (Executive Director): Good morning, everybody. I am Subodh Tandale, Executive Director. I am attending this meeting from my office in Mundhwa.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Thank you very much, colleagues on the board. I would also like to inform that Mr. Shivraj Vatsani, Audit Partner of Ms. BSR and Company LLP, who has signed this year's Auditor's Report and Annual Accounts, Mr Sridhar Mudaliar, Partner of SVD and Associates, the Secretary of Auditors, and Mr Neeraj Joshi, Partner of Dhananjay V. Joshi and Associates, Cost Auditors of the Company, have also joined the meeting through video conferencing. I would like to thank all the Directors, Officials, and the members for joining this meeting.

As the notice has already circulated to all members, I take the notice convening this meeting as read. The Statutory Auditors, BSR and Company LLP, and the Secretarial Auditors, SVD Associates, have expressed their unqualified opinion in respect of audit reports for the financial year 2023-24. There were no qualifications, observations, or adverse comments on financial statements and matters which may have any material bearing on the functioning of the Company. The Statutory Auditor's report on stand-alone financial statements and consolidated financial statements are available on page numbers 163 and 302 respectively of the Integrated Annual Report. The Secretarial Audit Report is enclosed as annexure C to the Board's report on page number 77 of the Integrated Annual Report. The Company has taken requisite steps and provided facilities to enable members to participate and vote electronically on all five agenda items of the notice of this Annual General Meeting. I would now like to address the shareholders on the business overview.

Dear shareholders, ladies and gentlemen, it gives me immense pleasure to extend a very warm welcome to all of you at the 63rd Annual General Meeting of your Company, Bharat Forge Limited. FY24 saw geopolitical turmoil spread across the globe with multiple fronts opening up and sea lanes getting impacted. Amidst these uncertain times, India was an island of calm. The Indian economy's growth in the previous fiscal got a major leg up. The Indian economy's growth in the previous fiscal got a major leg up, with manufacturing recording a robust performance. The year gone up was a spectacular one for India, with GDP growth touching 8.2%. In the backdrop of a strong demand environment in our end markets, all our key verticals recorded meaningful growth. Our standalone revenues increased 18% to Rs 8,968 crores. Our capacity utilization and increased value added had boosted our EBITDA to Rs 2,468 crores implying a 28% YoY growth. On a consolidated basis, our revenues stood at Rs 15,682 crores recording a 21% YOY growth.

Reaping the benefits of diversification: In pursuit of superior performance across cycles, we took strategic decisions to diversify beyond commercial vehicles in automotive and grow beyond oil and gas in the industrial space. Our passenger vehicle

business, incubated in the middle of the last decade, has performed remarkably over the last two, or three years. Passenger car exports have surpassed 150 million in FY24, with room for more growth in times to come. As OEMs scout for reliable partners, we aim to be the last man standing in this segment. Our industrial business, too, remains on a solid footing, thanks to the wide range of customers and sectors that we cater to.

Over the years, our strategy to diversify across segments has helped us to balance the volatility of individual sectors and generate strong returns via positive operating leverage. We aim to add more offerings to our bouquet in the next 2-3 years, as themes like China Plus One, and Europe Plus One gain traction and India becomes a preferred destination for manufactured products. The recent budget, while spanning out the vision for Vikshit Bharat lays special emphasis on nuclear energy by encouraging the building of small nuclear modular reactors. This innovative policy change can act as a strong catalyst for building a manufacturing ecosystem of nuclear reactors, opening up new avenues of growth for your Company.

Defence, our contribution to Aatmanirbhar Bharat: Under the leadership of our Honourable Prime Minister, the defence indigenisation process has made significant progress. With progressive steps taken to increase the share of procurement from Indian companies and expand the private sector participation in design research and development, our defence production policy has come a long way. The Government continues to play a constructive role vis-à-vis promoting made-in-India products in the overseas markets. These proactive steps taken by the government provide a strong tailwind to our Company.

Bharat Forge's Defence Vertical focuses on four areas currently artillery guns for deterrence, vehicles for battlefield protection, naval systems and consumer goods. Today, I am pleased to inform you that our defence business under our wholly-owned subsidiary, Kalyani Strategic Systems Limited, is beginning to show its potential. For the year gone by, the group's defence business had a revenue of Rs 1,561 crores, recording a 4x growth year-on-year. Recent supply-side issues and capacity constraints at various defence manufacturing provide a springboard for the Defence Vertical to scale up massively. The principle of Atmanirbhar or self-reliance is embedded in all the products that we design and develop. With an in-house ownership of all the intellectual property, we can commit to deliverables like easier software upgrades, lower turnaround times and many other intangible benefits which very few OEMs can offer and at a very competitive cost. This has opened up lucrative export opportunities for your Company. As of June 30th, our un-executed order book stands at Rs 5,400 crores in this sector, with the bulk of it destined for exports. At Bharat Forge, we are conscious of our defence ESG commitments. Accordingly, we remain committed to staying away from weapons of mass destruction or any other platform

that is banned by various UN conventions. We shall not engage in manufacturing or be part of a supply chain for controversial weapons.

Industrial Castings: The sun is about to rise on the horizon in this sector. Given our capability in metallurgy, we entered the casting industry with our acquisition of JS Auto. Over the last 24 months, the sectorial and client profile of JS Auto has undergone a major change with segment and OEM concentration reducing significantly, the Company's ability to supply complex castings and offer differential products helps it stand apart in a highly fragmented industry environment. JSA reported a revenue of Rs 567 crores with an EBITDA margin of 13.4% in FY24. This performance will improve significantly as a range of initiatives focus on value addition, operational efficiency, capacity expansion and new product developments are underway to strengthen the Company's future.

Overseas Operations: A play on powertrain agnostic components, the overseas subsidiaries recovered some bits from the losses seen in FY23. Aluminum folding accounted for 38% of the total overseas turnover. Going ahead, the aluminium business will only increase as the second line in the U.S. comes onstream. A combination of price support from our European customers and improving productivity and technology in the U.S. alumina will lead to further improvements in performance.

The aluminium forging business being agnostic to the powertrain preferences of consumers offers a good opportunity to participate in the passenger vehicle growth story in North America and Europe.

In Electric Mobility, Building Competency Organically: The e-mobility landscape has changed dramatically over the last 12 months in India. The reduced allocation of FAME subsidies and general policy uncertainty have negatively affected our overall business. We've also taken certain provisions in our quarter 1 results to reflect the same. While the demand environment continues to be sluggish, we will continue to grow organically in this sector. The investment and efforts put in this space will be a very significant pivot for the Company but will play out slowly over the next 24 months.

Environmental, Social and Governance, ESG: At Bharat Forge, we take our commitment to environmental, social and governance very seriously. A testament to this is the continued upward trajectory seen in our ESG rankings conducted by external auditors. Our initiative includes becoming water-positive by 2030, zero waste to landfill by 2030 and becoming carbon neutral in operations by 2040. To name a few, all these initiatives are milestones based on their progress being tracked by the Board of Directors. On the social front, we serve the communities in and around our plants and help elevate their livelihoods through a combination of education, skill development and village development with an emphasis on women's empowerment.

Update on our transformation journey: As outlined last year, we have embarked on a multi-faceted transformation of our organization. We aim to reshape ourselves into a technology-led Company with manufacturing supported by Industry 4.0 capabilities and digital and artificial intelligence capabilities. Aligned with this, I am pleased to inform you that we have inaugurated a state-of-the-art digital AI IoT lab. Through this, we aim to make our entire manufacturing process more competitive and create a platform to incubate future technologies inside our workforce. On the human resource front, we have increased our investments in human capital to help build a tech-savvy workforce with training and re-skilling. According to top priority, numerous initiatives are underway to improve diversity on the shop floor and increase employee engagement. Through this journey, we aim to create an agile organization which can embrace and adapt quickly to the dynamic industry landscape. I am confident with the transformation roadmap that we have laid out, the revenue and ROC targets outlined in FY23 are within reach. The coming 5-6 years will hold great promise for us and the shape and size of your Company will be very different.

Conclusion and Acknowledgements: We are well-positioned in terms of capacity, technology and talent. We continue to invest in capacity and technology to improve productivity and meet demand. We have invested significant resources in multiple sectors, some of which have already entered production. We believe global developments like China Plus One, and Europe Plus One offer us immense opportunities for growth. Your Company's strong balance sheet allows you to head to a head start to capitalize on these mega-teams.

I would like to take this opportunity to thank all our valued customers, our supply chain partners, and employees for their unstinted support. They are a source of great encouragement and motivation for us. I would like to express my sincere thanks to the Government of India, the various state governments, the financial institutions and banks for their sustained encouragement and support to your Company.

I would like to thank our Independent Directors, Mr. Pratap Pawar, Mrs Lalita Gupte, Mr. Vimal Bhandari, Mr P. H. Ravi Kumar, and Garvi Kumar, who will be demitting the office in September. All four of them have acted as trustees of the shareholders in the best possible way and guided the board and the Company to thick and thin over the past more than two decades. On behalf of Bharat Forge and my personal behalf, I would like to wish them all success in their future endeavours. Finally, I convey my personal gratitude for the confidence that you have imposed in your companies, and board of Directors, and sincerely hope that all of you will continue to extend your wholehearted support to us so that we, along with the management team and all our employees, further push the accelerator of growth and progress of your Company. We seek your continued support as we create value for our stakeholders. Thank you very much.

We now take up the agenda item set forth in the notice. We will open the floor for any questions from members after all the resolutions are tabled. Accordingly, I will now only read out the resolutions.

- **Agenda item number 1:** Adoption of the audited, standalone, and consolidated financial statements of the Company for the financial year ended March 31, 2024, together with reports of the board of Directors and auditors thereof.

- **Agenda item number 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, 2024.

- **Item number 3:** Appointment of a Director in place of Mr. P.P. Kalyani, who retires by rotation and being eligible, offers himself for the appointment of the Director liable to retire by rotation.

- **Agenda item number 4:** Ratification of remuneration of cost auditors.

- **Agenda item number 5:** Appointment of Mr. Anand Patil as an Independent Director of your Company.

The text of the resolution along with explanatory statements is provided in the notice circulated to the members.

The members who have registered as speakers and desire to ask any questions pertaining to any of the items of the notice, he or she may do so now. Members are requested to keep their questions brief and specific. The moderator will facilitate the questions on the video feature. To avoid repetition, answers to all the questions will be provided towards the end. Now, the moderator will announce the names of the speaker shareholders. I request the moderator to unmute the speaker one by one.

Moderator: Thank you, Chairman Sir. Our first speaker for this event is Mr. Shailesh Mahadevia. Mr. Mahadevia, you are in WebEx panel. You may speak now.

Mr. Mahadevia: Yes. Respected Chairman, members of promoter family, members, Kalyani members, all Independent Directors and members of management team, Sir, it is indeed a great pleasure to see you address us and hear the progress made by you exactly after a year or so. And last year, you were speaking from your office at your residence, which was also very well decorated. And so is your office in the office. So, it is always a pleasure. And I must congratulate you for your interest in various aspects of life. Sir, now I would like to appreciate the excellent working of the Company during the year under consideration. And it has been well reproduced in the integrated report, which you have presented to the shareholders. Sir, we have also read your statement in the report. And again, during the meeting, you have read the same and

they are excellent. Sir, we have achieved excellent market capitalization. Sir, last year, the price of our share was Rs 1000 approximately. Today it is more than Rs 1500. Within one year, look at the capital appreciation. And I must also add the help received from the secretarial department, which is a link between the management and the shareholders at large. Sir, now I wish to put some questions with a view to increase my understanding and to appreciate the wonderful work which is being done by you.

Sir, number 1, if I recollect correctly, we are mainly in the automobile industry as far 23-24 are concerned and on page 118, 90% of our sales comes from this automobile components industrial products. So, I understand that the investment we have done in other verticals will start giving result in 24-25 and beyond. Sir, can you throw some light, what will be the increase in percentage of sales under these different verticals in 24-25 and beyond. Sir, I would now like to ask the question regarding our observation of Atmanirbhar Bharat. Sir, our imports during the year were Rs. 8,385 crores while our exports are Rs. 4935 Crore, Sir what a huge difference between our imports and exports. Sir, how can we the figure I am quoting is from the annual reports, the import export figures

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Which page of annual report Mr. Mahadevia?

Mr. Mahadevia: Well, I will tell you. It has been given in annexure of the Boards' Report. I don't have it in front of me.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): I will answer the question once you finish your question.

Mr. Mahadevia: I will do that. In the meantime, I will get the data, I will also give you the same. Sir, further under BRSR, which has been report for the standalone while we are interested in consolidated figures which you have also given. For example, exports in standalone is only 54% of our total business but if we look at consolidated figure it is as much as 75%. Sir, may I know what percentage are we likely to maintain in the next year or two. Sir, then I would like to come to our subsidiary, Bharat Forge International Limited with a turnover of 3413 crore USD. Sir, if we look at that, these are all market in which we are doing, I understood that we only sell what we produce. Sir, are we selling anything which is produced by others through our marketing organization. That is my query and question. Sir, then are we likely to get any benefit under PLI scheme so that we may be on the way to our Atmanirbhar Bharat. Sir, then we have made some acquisitions during the year and what I would like to know is when these acquisitions will start giving us the benefit of synergies and integration. I believe Integration may take a longer period but synergies we may be able to start getting with almost immediate effect. You can throw some light. Sir, then I would like to refer to our aluminum products which we are also offering. Sir, here we are

successful in Europe but as far as our business in US is concerned, we are making substantial losses. This aluminum was introduced to take advantage of technological benefits. Sir, may I know how this business will come up in the times to come? Sir, then my next question is that you have also mentioned in your speech that you will not manufacture any products which are banned under the UN Conventions. Sir, what I would like to know is whether there are any companies who manufacture this type of products and offer in the market and are they likely to affect our business also? Why to specify, this should be obvious to everyone and sir, I also like to appreciate our expertise in four M, which is metallurgy, metal forming, manufacturing and machining. Sir, now we will be adding our latest technological developments like AI. We will also be adding various digitalization program so sir this claim of ours as our foundation of four M is likely to be shaken, how beneficially will it be shaken for our Company. Sir, with this I wish our organization success and accelerated rate in the years to come and I am confident about your success. Thank you very much sir, Namaste to all of you.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Thank you Mr. Mahadevia. I will answer the question after everybody questions are finished. Can we go to the next speaker?

Moderator: Thank you sir. Our second speaker for the event is Mr. Jamshed Patil. Currently, he is not available in panel, so we will move to the next. Our third speaker for this event is Mr. Manjeet Sandeep, he is also not available in the panel, so we will be move to the next. Our fourth speaker for the event is Mr. Anil Mehta. Mr. Mehta

Mr. Anil Mehta: Am I Audible ?

Moderator: Yes Sir, you are audible.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): You are audible Mr. Mehta.

Mr. Anil Mehta: Thank you everyone! This is Anil Mehta, attending the meeting from Mumbai. We have a few questions, Sir. Question number 1, with an increase in Globalization, what has the Company done to increase the knowledge and experience of global expertise on the board? Question 2, how does the management monitor the inter-Company transactions? Question 3, What are the major opportunities and challenges faced by the Company and how does the management plan to respond? Question 4, what are the principal objectives in the Company's business plan for the next year and the next five years? Question 5, how does the Company access its liquidity and availability of the funding sources for operations? and the last question, what is the Company doing to improve the shareholders relations? With this, we are

supporting all the resolutions and thank the secretarial department for their cooperation and also, Link Intime for their good services. Thank you and all the best.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Thank you, Mr. Anil Mehta.

Moderator: Thank you, sir.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): The next speaker please.

Moderator: Our next speaker for this event Arun G Dixit is currently not available in panel, so we will move to the next. Our next speaker is also not available in panel, so we will move to the next one. So our seventh speaker for this event is Om Prakash Kejriwal. Mr. Kejriwal, you may speak now.

Mr. Om Prakash Kejriwal: Am I audible sir?

Moderator: Yes Sir.

Mr. Om Prakash Kejriwal: Thank you, thank you Ma'am. Good Morning Sir ji.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Good Morning. You need to increase your volume Mr. Kejriwal or come closer to the mike.

Mr. Om Prakash Kejriwal: Okay Okay, I will try.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Better, go ahead.

Mr. Om Prakash Kejriwal: Good Morning everybody attending this AGM. Myself Om Prakash Kejriwal, your equity shareholder from Kolkata. Thank you, sir ji, for providing me the platform to speak something before you. Thanks to our secretarial department for helping me in registration as speaker shareholder. Sir, this is my third AGM only due to virtual. So, I am your very old shareholder. It's possible to follow these virtual AGMs next year also so that more and more investors from different parts of the world could join our AGM and express their views.

Sir ji, wow what a performance sir ji. Itna acha result dene ke liye apko, sabhi board of Directors ko, sabhi employees ko bohot bohot dhaynawaad, bohot bohot bhadhae. Sir, in the standalone account, our EPS for our financial year 23-24 is Rs.13.60. In consolidated account our EPS is for financial year 23-24 is Rs. 20.43. Likeway, In Standalone account, in June Quarter is Rs. 5.79 but in consolidated account in June Quarter us Rs. 4.36. It means some of our subsidiaries are making losses. Which one

making losses and what steps you taken to stop their losses. Sir, our board meeting was on 8th August 24 to consider fund raise issue. Please tell something regarding this agenda. Sir ji, our Share's face value is Rs. 2 and market price is Rs. 1600, So I request you to please split our shared in the ratio 2:1 . It will act as a mini bonus for we minority shareholders and more small investors to join our Company and more investors mean more popular Company and big Company, so please consider split of shares. I will not insist for bonus share but I will insist for split of shares. Ek request hai sir ji, apke madhyam se mei CSR committe ko request karna chahunga ki hum logo ko 2% paisa kharch karna padhta hai CSR fund mei toh iske liye thoda drinking water provide kijiye apne factory area mei, aur nearby village mei jisse public ko kafi bhala hoga, kafi acha lagega aur public ka bhala hoga toh hum logo ko bhi bhala hoga sir ji. Aur ek aur request hai cancer patient ke liye.

Apne feel kiya hoga ki after coronon disease, har family mei ek member jo hai Corona, ye Cancer se grasit hogya hai, cancer se affected hogya hai. pidhit hai. So ye Cancer Patient ko help karne ke liye bhi jo hai iss fund ko utilize kijiye sir. Ye mera request rahega aur ek factory visit sir. I am your very old shareholder, so please organize a factory visit so we can see our factory , how it is running. Also, sir please maintain your smile and be cheerful, I will also wish you Thank you, Thank you Sir ji.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): You are always welcome Mr. Kejriwal to come and visit our factory. I am sure our sectarial department will organize that, just get in touch with Tejaswani Chaudhari. She will definitely organize this for you.

Mr. Om Prakash Kejriwal: Thank you, Thank you, Sirji.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Okay, any next speaker.

Moderator: Thank you sir, so we are done with the speaker session. So, we will move to the next agenda. Over to you Chairman Sir.

Mr. Babasaheb N. Kalyani (Chairman and Managing Director): Now, I will answer all the questions raised by these three speakers. Mr. Mahadevia, Anil Mehta and Mr. Om Prakash Kejriwal. So, first I will address the questions raised by Mahadevia, Ah, he talked about different verticals and what do we see as a progress beyond 24-25 in these verticals. Let me explain it to you Mr. Mahadevia and maybe to other shareholders present on this call. Bharat Forge till about five years ago had only one vertical and that was automotive components and to grow and develop our business further, we create a strategy and created five different verticals which are almost like five different businesses. Of course, some of them, we have been working from many years, like the defense business but we have our automotive components business

which is one vertical which will continue to grow and we are continually gain market share all over the world in this business because of our excellent technology and excellent products that we have. We have now a defense vertical which is beginning to grow very rapidly and most of the growth in defense is coming from exports which is a great surprise to us also because the demand for our products is more from abroad than from here, the domestic demand which start hopefully by end of this year or early next year and the reason for this is the whole concept of Atmanibhar bharat means you need to develop your own technology, your own intellectual property, your own product and if you are able to do that then the world is a market for you. If you make products under license, then the world is not the market for you. So I think, we have taken the right strategy and we are beginning to see a much larger growth in our global markets even in this sector. Our this vertical is our industrial vertical which we created last year. We have now in industrial vertical , industrial forgings, which are not used in the automotive industry and we acquire in the last two years, three plants in part of India like Kolkata, which are to grow tremendously and add to our industrial vertical and the growth of industrial vertical. The fourth vertical is Aerospace vertical which is still small but has multiple opportunities to grow as we develop new products and new technologies. Here we have taken a deliberate decision not to into commodity products in aerospace like Fabrication and thing like that. So, they are making only high technology products like Jet Engine components, components, the ones made out of Titanium, High Nickel Alloys, High temperature alloys and things. Your second questions was on exports. On standalone which is 54% and consolidated, it is 75%. This is largely because the defense exports are in our consolidated numbers. That's how you see the difference but these are all exports produced in our Indian Manufacturing here in India. Then your next question was on, are we selling only our products or are we selling somebody else's products? We only sell our own products. We are not selling anybody's else products. And your other question after that was on PLI schemes, yes we have applied for the PLI Scheme. PLI scheme is largely applicable for new technologies, so we are developing new technologies in the e-mobility space, and the electric mobility space and hopefully, we will have many of these products available by next year, which then we will able to use the PLI benefits for this space. You talked about acquisitions and synergies. The acquisitions made in India are largely in the industrial space and those acquisitions have given us tremendous synergies because we are able to use and leverage our existing customers in the automotive space who also buy castings, who start buying castings from our Company. So that generates a lot of synergy and when we bought the Company, the sales revenue was about Rs.440 Crores and already we are seeing it close to Rs 700 Crores this year, so we a lot of growth coming in the future in this area. You talk about the Aluminum business, see Aluminum business is a complicated business but it is the future of the automobile industry. All automobiles have become light-weighted and therefore they would continue to use more and more of Aluminum products, so we just have to be in this business. We have to make it profitable, we have to develop technologies and because we are developing technologies on our

own, it takes a little more time to do this and this is exactly what is happening in our 49:15 Aluminum business. It's a new business but hopefully, by next year we should see some positive results coming on this business. You talked about companies making bad products in defense. Yes, there are companies who make bad products in defense. I don't know whether these are companies in India or not, but there are companies around the world who make bad products in Defense but we have decided to stay within the limits , lets say 49:48 and we don't want to cross the limits. We want to make sure that we are conceived at, seen as globally as a good Company, as a responsible Company, as a Company that cares about its people, cares about the planet, cares about sustainability, so that's our direction. And then you talked about AI, ya AI is a new buzz word today. Anybody, who is doing anything has to know about AI, has to learn AI but AI is also very complex. We have set up an AI incubation center with how about 60-70 people there, all out of college, all young people who understand this, and we have a good team who is developing AI applications to help increase our manufacturing productivity, which will help increase our sales by better, let's say by creating better management bandwidth with better information and will also create a better bottom line, with all these things put together but it's gonna take a few years of time, a lot of training but we are on the job. In our lives, everything else we like to do things, we like to do things which are required tomorrow today and this is one of the example, our whole plant today runs with industry and it has given us a tremendous amount of benefits in terms of productivity and that's how you see our numbers getting better, our business getting better and our Company getting more competitive. So these are the answers to your questions Mr. Mahadevai.

And Mr. Anil Mehta you asked questions about the increase in globalization and further we have board members to understand the global experience. Today, we have five members in our board who have complete global experience. K.P.S Anand who was head of Asian Paints, he had run so many global companies in Asian Paints. Dipak Mane, he is board member at Buhler in Switzerland. Sonia Singh was a senior member at Unilever and Ashish Bharat Ram operates a global chemical operation worldwide and Mr. Anand Pathak operates works in business that is in United States and India. So we have multiple, 5 members on our board, apart from our own executive members, who have a lot of global experience and global knowledge. You asked a question about opportunities and challenges. Let me speak about opportunities first. The largest opportunity that India has today, not only our Company but as a country that we have today is our own internal demand and requirement with the projected growth GDP for the next 15-20 years. Also the opportunities in the defense sector are going to very very large in next 15-20 years. Challenges are yes you need to develop your own technology. In our Indian companies are normally used to get technologies from outside but we in our Company, in your Company here at Bharat Forge , we have always relied on the policy of innovation and developing technology inhouse and I think that is what is helping us today to gain market share and to gain markets abroad, so this is one sense of opportunities and challenges. The second big opportunity is In

Europe and North America, there is large scale gap between . The skilled people are simply not available and therefore many companies are looking at alternative locations to manufacture. And one of the alternative locations would be India, so I see in the next few years we will see a lot of opportunities coming out of this process. You asked about, your next question was about objective for the next five years. As I said, in my reply to Mr. Mahadevai, we have five businesses instead of just one business. The first business which we have is the automotive components that is growing very well and will continue to grow. Now, we will make the remaining four businesses grow, grow well and grow faster.

Our defense business, our industrial business, is already growing at a very fast and growing very positively. We have to get our electric mobility business growing in the next 2-3 years and we got to get our overseas subsidiaries in a profitable range. So this is our objectives going for the next five years. Liquidity and Funding sources, we do not have a problem on liquidity and we have a 3000 balance sheet, strong financial balance sheet but we are looking for funding because I think opportunities to expand manufacturing within India are gonna be very large in different locations and therefore, it is better to be ready with some funding to be able to use it for the new opportunities that come. To improve shareholder relationship of the Company, I think they usually do a very good job with the team with all of you, and if you have any suggestions, you are more than welcome to send suggestions to her and she will take care of whatever suggestions you have.

Then I will come to Om Prakash Kejriwal, thank you for all your comments Mr. Kejriwal. Subsidiary losses I have already explained. I think in our subsidiaries are largely, in countries where manufacturing is becoming more and more difficult but we are trying to leverage of our technology. So hopefully, by next year we should see much better results coming out. You talked about issue, we have no plans to make any issue, and we have not announced any plans to make issue. We only announce in the board the enabling resolution to raise some funds, which we will do in the right time. You talked about share split, we have no plans of share splits right now but we will look at your suggestions. You talked about CSR and providing drinking water. Let me explain to you in short space. We have taken 108 villages in Maharashtra under our CSR and we are doing work to improve 108 villages and we have four metrics that we use to improve these villages. The first metrics is to provide drinking water. Drinking water at their homes, women do not have to go 10-15kms to get drinking water. Second, we do is to provide clean roads so that the environment is clean and healthy. Third, we do is look at the schooling for the children . Fourth we look at the health. When we do these things we find people become more productive, their income levels grow up, so we have seen in almost 80 of these 100 villages, the income levels of these families have gone up anywhere from three times to five times in the last five years. So that is how we measure our CSR contribution. We are doing a lot of good work and there is a lot of appreciation from the population in and around Maharashtra, we work only in areas

which are drought-prone, we have now started doing some work in the North East, in Assam and Tripura. We see how we can help that part of the country. So, if you have any suggestions, you are free to write to us and we will look at those suggestions. Thank you very much. I think these are all the questions and I have answered them to the best of my ability.

There was a question on import, export and Atmanirbhar Bharat, I think your numbers are wrong. We don't import any large amounts of materials. We have very little imports. We largely have exports, so something is wrong with the data you have got.

Members may note that the voting on Link Intime platform will be continued and available for the next 15 minutes. Therefore, members who have not cast their votes yet, are requested to do so. The board of Directors is appointed, Mr. Sridhar Mudaliar, 1:00:26 Mrs. Sheetal Joshi, Partners of Mrs. SVD and Associates, Company Secretaries as Scrutinizers and to supervise the e-voting process. Further, I authorize Tejaswini, The Company Secretary to declare the results of voting and place the results on the website of the Company at the earliest. I once again Thanks all of my colleagues, On Board Directors, and shareholders for attending this meeting. Now with your permission, I and the board members would like to leave the meeting. The Company secretary and the secretarial team will be online for some more time until the e-voting concludes. With this, I declare the meeting as concluded and wish all the shareholders and their family a very healthy and safe future and a very happy Independence Day. Thank you very much.

Thank you everybody.