

Bharat Forge 60th Annual General Meeting

13th August 2021

- **Ms. Tejaswini Chaudhari – Company Secretary, Bharat Forge Limited:**
- Namaskar and good morning everyone.
- I am Tejaswini Chaudhari, Company Secretary of Bharat Forge Limited. I welcome you all to the 60th Annual General Meeting (“AGM”) of the Company held 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 served basis. The Company has provided the facility to cast their votes by way of remote e-voting on all the resolutions set forth in the notice. 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 NSDL. The register of directors and key managerial personnel and the register of contracts or arrangements have been made available electronically for inspection by Members during the AGM on the NSDL portal. As the AGM is being conducted through video conferencing the facility of appointment of proxies by MMembers 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 CCompany has received requests from few MMembers to register them as a speaker at the meeting, accordingly the floor will be open for these Members to ask questions and/or express their views. The CCompany’s host will announce their names one by one. The speaker on his or her turn will be unmuted by Company’s host. The concerned speaker will then be requested to click on audio/video buttons on their system. Even if speakers are not able to switch on video mode, they can switch by using audio mode. For seamless participation in this AGM, thru video conference, all the Members are requested to register the instructions provided in the notice of those appearing on video conference page. If there is any connectivity problem at speaker’s end, we will ask the next speaker to join. Once the connectivity improves, the speaker member will be reconnected to speak after other speakers complete their time. Once allowed to speak, speaker is requested to mention their name, folio number and the place from where they are joining this meeting. We would like to request all the speakers to limit their speeches to the maximum of 5 minutes. During the AGM if Member faces any technical issue, he or she may contact the helpline number mentioned in the AGM notice. We have a requisite quorum present through video conference to conduct the proceedings of the meeting. Participation of Members through video conference is being recorded as a statutory requirement. Live streaming of this AGM is also webcast through NSDL website. Thank you very much for your attention and cooperation.
- I will now request the Chairman to officially commence the proceedings of 60th Annual General Meeting of Bharat Forge Limited. Thank you.

- Over to you, sir.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Thank you, Tejaswini.
- Good morning, ladies and gentlemen, I, Baba Kalyani, Chairman of the Company, participating in this AGM from Bharat Forge’s boardroom, Pune, extend a warm welcome to you at the 60th AGM of the CCompany. The AGM of the CCompany is being conducted through virtual mode in compliance with the directives issued by the Ministry of Corporate Affairs on account of the Corona virus pandemic and the need to maintain social distancing. Before we start the main proceedings of the meeting I request my colleagues on the video conference to introduce themselves while stating their full name and location from where they are attending the meeting. I will start first with Mr. S.M. Thakore.
- **Mr. Shobhan Thakore – Independent Director, Bharat Forge Limited:**
- This is Shobhan Thakore, Independent Director, attending this meeting from my residence in Mumbai. I confirm having received the notice and relevant papers well in advance. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Pratap Pawar.
- **Mr. Pratap Pawar – Independent Director, Bharat Forge Limited:**
- Good morning everyone. I am Pratap Pawar, Independent Director, and Chairman of Audit Committee, Nomination and Remuneration Committee and CSR Committee of the Company. I am participating at this AGM from my residence in Pune at Baner Road, and I have all the required papers and I have been able to see and hear you all. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. P.H. Ravikumar. Mrs. Lalita Gupte
- **Mrs. Lalita Gupte – Independent Director, Bharat Forge Limited:**
- Good morning everyone. I am Lalita Gupta, Independent Director of the Company, I am participating in this Annual General Meeting from my residence in Mumbai. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Vimal Bhandari. Mr. Vimal Bhandari.
- **Mr. Vimal Bhandari – Independent Director, Bharat Forge Limited:**
- This is Vimal Bhandari, I am joining the meeting from my office in Mumbai and I have received the notice and I am confirm that I am alone in the room. Thank you.

- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Dipak Mane.
- **Mr. Dipak Mane – Independent Director, Bharat Forge Limited:**
- Good morning everybody, I am Dipak Mane, Independent Director. I have received all the relevant papers well in time and I am attending this meeting from my office in Uzwil, Switzerland. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Murali Sivaraman.
- **Mr. Murali Sivaraman – Independent Director, Bharat Forge Limited:**
- Good morning. I am Murali Sivaraman, Independent Director. I am participating in this Annual General Meeting from my residence in Mumbai. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Prakash Bhalerao.
- **Mr. Prakash Bhalerao – Non-executive & Non-Independent Director, Bharat Forge Limited:**
- Good morning, I am Prakash Bhalerao, I am a Non-executive, Non-independent Director. I am attending this meeting from my home in Baner, Varsha Park, Pune.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Amit Kalyani.
- **Mr. Amit Kalyani – Deputy Managing Director, Bharat Forge Limited:**
- Good morning. I am Amit Kalyani, Deputy Managing Director of Bharat Forge. I am attending this meeting over video conferencing from my office in Bharat Forge. I have all the papers and I can see and hear everything.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Gopal Agarwal. Gopal Agarwal.
- **Mr. Gopal Agarwal – Deputy Managing Director, Bharat Forge Limited:**
- Good morning, I am, Gopal Agarwal, I am Deputy Managing Director of the Company. I am attending this AGM from our office in Pune. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr B.P. Kalyani.
- **Mr. Basavraj Kalyani – Executive Director, Bharat Forge Limited:**

- Good morning everyone, this is Basavraj Kalyani. I am an Executive Director and I am attending this AGM from my office here in Bharat Forge. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Subodh E. Tandale.
- **Mr. Subodh Tandale – Executive Director, Bharat Forge Limited:**
- Good morning everybody. I am Subodh Tandale, Executive Director. I am attending this meeting from my office in Mundhwa, Pune. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Mr. Kishore Saletore.
- **Mr. Kishore Saletore – Executive Director, Bharat Forge Limited:**
- Good morning everybody. I am attending this meeting from the Bharat Forge office in Pune. My name is Kishore Saletore, and I am an Executive Director of the Company, welcome to all of you. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Thank you. Is Mr. P.H. Ravikumar there? Okay.
- Thank you very much. We also have the statutory auditors, secretarial auditors and cost auditor participating in this Annual General Meeting through video conferencing from their respective locations. I would like to thank all the directors, officials and the Members for joining this meeting. As the requisite quorum is present I now call the meeting to order.
- The Company has received 9 letters from corporate shareholders appointing representation under Section 113 of the Companies Act, 2013, in respect of 20,32,32,547 shares, representing 43.65% of paid up capital of the Company. As the notice is already circulated to all the Members I take the notice convening this meeting as read. The statutory auditors, SRBC & Company Limited, and the secretarial auditors, SVD & Associates have expressed unqualified opinion in the respective audit reports for the financial year 2020-2021. There were no qualifications, observations or adverse comments on financial statements and matters which have any material bearing on the functioning of the Company. The statutory auditors' report on standalone financial statements and consolidated financial statements are available on page numbers 120 & 253 respectively of the annual report. The secretarial audit report is enclosed as Annexure D to the Board's report on page no. 72 of the annual report. The Company has taken requisite steps and provided facilities to enable Members to participate and vote electronically on all 7 agenda items of the notice of this Annual General Meeting. I would now like to address the shareholders on the business overview.
- Ladies and gentlemen, it gives me immense pleasure to extend a very warm welcome to all of you to your Company's 60th Annual General Meeting. The year gone by has been amongst the most challenging to date, with Covid 19 pandemic

causing wide scale suffering globally. The swiftness and the intensity of the second and third waves have overwhelmed the health system and devastated lives and livelihood. Even the progress we have made on the vaccine front and the increased pace of vaccination of the countrymen, I am confident that we will eventually get the pandemic under control. Until then I urge you to stay safe, follow Covid appropriate behavior and get you and your family vaccinated. For your Company too it was a year of challenge, the pandemic resulted in demand uncertainty and disruptions in production supply chain. The Company's key focus area was securing the safety of our people, uninterrupted supply to address customer commitments globally and fortifying the health of the Company through a laser sharp focus on cost and cash flows. I am happy to inform that we were able to tide over the situation pretty well, gradually as we started witnessing demand recovery on the second quarter of last year. The Company accelerated production to address rapidly increasing customer demand. It has translated into strong financial performance over the past few quarters and continues into FY22.

- Financial performance: Our overall performance for FY21 reflects a challenging backdrop amidst which we operated. On a standalone basis revenue declined by 20% to Rs. 36,550000 [36 million 550 thousand] in FY21, low capacity utilization and the subsequent operating deleverage adversely impacted profitability parameters. EBITDA and PAT were 7348 million, and Rs. 3121 million respectively. Although the full year performance is subdued it is noteworthy that we have made a strong sequential recovery from Q2 FY2021 onwards and continue to sustain this encouraging trend. Yesterday we declared our Q1 FY22 results which registered a sequential top line growth of 4.9% and PBT growth of 12.3%.
- Staying ahead of the technological changes: In my previous communication, I had mentioned that technology will cause tectonic shifts in the automotive industry. This is already visible especially in the personal mobility space. As part of our business is exposed to this shift and may come under stress in the medium term. While a move towards electrification is gathering pace, OEMs are forced to revisit their business models, thus providing some additional sourcing avenues in the existing product lines especially in the short to medium term. Meanwhile I am confident that we will start witnessing a meaningful revenue traction from the e-mobility vertical in the next 12 to 18 months. We looked at this as an opportunity while investing strategically with start-ups, with existing expertise in e-mobility solutions across 2-3-4 wheelers as way back in 2015-16. The e-mobility business has been spun off into a separate 100% subsidiary, Kalyani Power Trade Limited. This will ensure dedicated attention to growing the business with the right leadership and right focus. KPTL has made tangible progress during the year having initial discussions with OEMs and other potential customers to provide solutions for the e-mobility platform.
- On lightweight materials: Another megatrend that is significantly disrupting the global automotive industry is the transition to aluminium and other light materials. Here also we are well placed to take part in this shift. The aluminium die casting facility that is centre for light-weighting in Nellore and the aluminium forging facilities that are coming up in North Carolina, US, and Brand-Erbisdorf in Germany, these centers will work closely with automotive companies to conceptualize new

solutions including those for e-mobility. As these facilities ramp up we expect significant jump in revenues for BFL.

- On defence: Being on the right side of opportunity, the government’s clarion call for Aatma Nirbharta through creating a positive list of items to be manufactured in India holds in good stead the defence manufacturing ecosystem which has received a major push. We have been in this business for many years now and have established deep competencies. Many of our programs, armoured vehicles, artillery, etc., are progressing well and we expect to see positive developments. During FY2021 our armoured vehicle vertical made a breakthrough by securing a prestigious order for supply of Kalyani M4 vehicle for use in high altitude terrain. Our ambitious ATAGS artillery gun being developed under the aegis of DRDO is currently in the ranges undergoing final trials.
- Building future ready capabilities: As we go deeper into defence e-mobility, lightweight materials and industrials, we are in the existing business. The challenges will be different from what we have faced so far. It will entail creating a talent pool with completely new skill sets and intensifying research and innovation. It is because of this that we have put these businesses under separate companies. We are continually focusing to strengthen our HR practices to attract and retain talents.
- Coming to Covid, the Covid 19 pandemic relief: We stood by the communities to provide relief measures including distribution of PPEs to the frontline warriors, masks, food packets and medical kits. In a collaborative initiative with select NGOs at the peak of the second wave with an objective to support our health care professionals and suitably equip their infrastructure we distributed Covid relief material such as ICU grade ventilators, Bi PAP devices and oxygen concentrators, across several cities in India. In locations closer to our manufacturing plants we worked together with local authorities to make provisions for oxygen beds, creating isolation wards, providing Covid 19 medicines, medical apparatus and medical equipment amongst others. At the village level we are working with concerned authorities to support them to strengthen the primary health centers. The global pandemic has also triggered a new purpose in our core expertise of passionate engineering. During the month of April and May a dedicated team at Kalyani Centre for Technology & Innovation also rose up to the challenge of the widespread stress caused by the second wave and expeditiously manufactured and supplied BFL made PIC ventilators to hospitals across the region. Looking at the plight of people searching for oxygen cylinders, motivated our engineers to manufacture robust safe medical grade light weight portable aluminium cylinders. Defence Bio-Engineering and Electro Medical Laboratories (DEBEL), a part of DRDO approached us with a mandate to develop high pressure cylinders in aluminium suitable for emergency response and health care applications. This is funded by the PM Cares Fund as a Covid relief material to states. Despite the Covid lockdowns a highly motivated team of researchers from KCTI and engineers from BFL developed a product fully independently in-house within the Bharat Forge umbrella. This being a medical grade and safety critical product undergoes stringent regulatory and quality requirements. During the process we converted an automotive forging production line to producing in high volumes light weight portable oxygen aluminium cylinders. More importantly this demonstrates our ability to effectively work on a mission mode to develop new

products and new capabilities. Aluminium extruded products have wider applications in our traditional sectors like automotive and industrial products. Going forward we would be keen on exploring new ways of using this newly developed capability. Thirdly in response to the sudden requirements for oxygen generation plants in the country at Bharat Forge we expeditiously built 12 vacuum pressure string adsorption plants with a capacity of 500 litres per minute each and have commissioned them across various cities in the country.

- Sustainability at Bharat Forge: Your Company has been addressing the topic of sustainability through the solutions we provide to our customers. Our efforts in light weighting our products are contributing to lighter vehicles which are more fuel efficient and more importantly consume less resource in the manufacturing process. We also have a circular ecosystem of manufacturing where bulk of our material scrap is reused to manufacture clean steel. As a responsible corporate we envisage doing more when it comes to either reduce usage of resources or increase utilization of renewable energy. In our operations in FY21 around 16% of the power utilized was from renewable energy sources. We expect more initiatives on sustainability to be rolled out in the coming months. We have successfully emerged stronger out of every down cycle improving our margins by realigning our product mix, reducing our costs and innovating. We are confident that this will enable us to see through this down cycle as well. This time the difference is that we have a strong balance sheet with a significant amount of liquidity and large pipeline of new products in emerging technologies including aluminium.
- I would like to take this opportunity to thank all our valued customers and business partners for their continued support and contribution. More importantly I would like to thank our employees for their hard work and valuable contribution. I would like to make a special mention of appreciation and express my earnest gratitude to all the officials of the various departments of the government of India, government of Maharashtra, local municipal authorities, the frontline health workers and all others who extended requisite support, guidance and coordination to ensure the well being of citizens of India during the first and second wave of the pandemic. It is with this collective resolve that India has demonstrated in fighting Covid pandemic that today we are beginning to see an economic turnaround sooner than earlier imagined. I would also like to express my sincere thanks to all the financial institutions and banks. On behalf of the board of directors, I would like to extend my sincere appreciation to our shareholders for their continued faith and confidence placed in us. Thank you very much.
- We now take up the agenda items set forth in the notice namely :
 - Item No. 1 – Adoption of the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March 2021 including reports of the board of directors and auditors thereon.
 - Item No. 2 – Confirmation of the final dividend on equity shares for the financial year ended 31st March, 2021.
 - Item No. 3 – To appoint a director in place of Mr. Kishore Saletore who retires by rotation and being eligible offers himself for reappoint.

- Item No. 4 - To appoint a director in place of Mr. Prakash Bhalerao who retires by rotation and being eligible offers himself for reappoint.
- Item No. 5 – To reappoint Mr. Basavraj Kalyani as an Executive Director of the Company.
- Item No. 6 – To Reappoint Mr. Subodh Tandale as an Executive Director of the Company.
- Item No. 7 – Ratification of the remuneration of the cost auditors.
- The text of the resolutions 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 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 the answers to all the questions will be provided towards the end. Now the Company’s host will announce the names of the speaker-shareholders, I request the moderator to unmute the speaker one by one.
- **Mr. Tanay Mishra - Host:**
- Thank you, sir. So I will request Mr. Priyadarshan Naik to please switch on his video and then he can pose his questions. Mr. Naik, Mr. Naik, we are not able to hear you
- **Mr. Priyadarshan Naik – Shareholder:**
- Is it possible to hear me?
- **Tanay Mishra – Host:**
- Yes, sir, now we can hear you, please go ahead.
- **Mr. Priyadarshan Naik – Shareholder:**
- Can you hear me?
- **Tanay Mishra – Host:**
- Yes, sir.
- **Mr. Priyadarshan Naik – Shareholder:**
- Hello?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yes, we can hear you. Mr. Naik, please go ahead.
- **Mr. Priyadarshan Naik – Shareholder:**
- Can you hear me?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**

- Yes.
- **Mr. Priyadarshan Naik – Shareholder:**
- Hello, is it possible to hear me?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yes, yes. We can hear you, Mr. Naik.
- **Mr. Priyadarshan Naik – Shareholder:**
- Yes, I will carry on. Good afternoon, we are glad to have a darshan of our Kalyani pioneer, Baba sahib sir, even if it is virtually. I know it has been a very challenging year but despite that I appreciate the Rs. 2 dividend in spite of a 34% standalone drop in profits, thank you very much. 3 quick questions, I won't take more than 2-3 minutes. First one is page 16, the manufactured capital capacity is 403350 PPA, the tonnage shipped is 165 odd metric tons so your capacity utilization is 41%. I did the same thing for your last year's figures and it comes to 49%, so there is an 8% drop from last year, very much practical because of this challenging period. The consolidated revenue, sir, if you refer to page 331, item 24, the drop to 5966 crores from 7565 crores is 22%, so an 8% drop in capacity causes a 22% drop in revenue, this is massive. So, sir, your page 14 when you give your capacity at 683,750 PPA why are you looking for a 70% increase this Covid second wave, third wave it seems to be going on and on. Why are you having a 70% capacity when a mere 8% cost is a 22% drop in revenue? Sir, your views on this please. Which brings me to the second question, which is about ESG reporting, Environmental Social and Governance, this is the trend now to bring in transparency and accountability, I see you are nearly there, you have your capitals, financial, manufactured, human and so on. But, sir, ESG focus, ESG integration, ESG is a trend by itself so what steps is Bharat Forge taking towards ESG integration? Which brings me to my 3rd question and last, newspaper reports indicate that you are a potential bidder for the BEML disinvestment. This is excellent news for me because of all the companies, Bharat Forge fits BEML's verticals like a glove. No other Company I think even in the world would do it. For example especially if you look especially at your business segments on page 13, BEML has a construction and mining segment and you have one too. So you have an automatic market and what you are already doing to manufacture critical high end ground engaging tools for construction of mining equipment. Similarly, rail and metro, you are light weighting CLWT which is of immense interest, that is something which is totally going to change the face of the rail and metro vertical I am sure, BEML. The third is the defence vertical and here I need not talk, your Kalyani M4, your artillery, your protected vehicles, your 100% KSSL, your joint venture with BF Premier Energy Systems, all perfectly matched. So my question is how do you see the BEML disinvestment, a very challenging government of India program and how do you propose to integrate Bharat Forge when you are so well equipped as no other Company in the country or even in the world if I can say it is. So thank you very much, sir, you have come out with flying colours in a challenging year, I am sure you will have much better and even better year next year. Thank you, good luck, bye-bye.

- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Thank you, Mr. Naik.
- **Mr. Tanay Mishra – Host:**
- Thank you, sir. I would now like to request Mr. Arun Boppana if he can please switch on his video and pose his questions.
- **Mr. Arun Boppana – Shareholder:**
- Hello.
- **Mr. Tanay Mishra – Host:**
- Yes, sir, we can hear you, please go ahead.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yes, Mr. Boppana, we can hear you.
- **Mr. Arun Boppana – Shareholder:**
- Good afternoon, everybody, thanks to Sumedh and Tanay Mishra for setting up this seamless VC. My maiden attendance at Bharat Forge. We are all safe if each one is safe, it reiterates Vasudev Kutumbham belief, sir, I am happy about it. And compliments to the management for strengthening the health care infrastructure, for nurturing new businesses, efforts in circular economy, decarbonization path for reduction by 2025, for watershed development creating new water bodies, regenerate agriculture with replenishment of natural resources, to ensure full security, create substantial livelihood and opportunities too. My questions, are all our people vaccinated, what is the vaccine audit done? Covid 19, what are new skills/upskilling the old ones to make a mark in the next decade. New age consumers of digital natives with extensive engagement in social and e-commerce platforms, shifting to digital technologies is new era of responsible capitalism, automation, robotics, etc., what is the capex. And appointment of younger population for software design is essential, what is Bharat Forge doing on that. And opportunities on armoured vehicles, artillery, marine defence, generator sets, navy, etc., and mining trucks, where are we positioned there. ICE to EV change in auto tectonic shifts. And Bharat Forge for emission norms from April '21 what is happening in that area. Population will cross 9 billion soon, providing food security will be a formidable task that will be the real engine for growth for Bharat Forge too. There is so much requirement to produce food and process food. Challenges, regulatory changes have increased cost of ownership and delayed recovery. The planet is gravely threatened by the twin challenge of climate change and livelihood, and providing gainful employment to millions entering the job market is a challenge. I hope Bharat Forge can do something on that because Bharat Forge has a personal purposeful journey too, sir. In conclusion, Bharat Forge has amazing products, technology and people to grow an industry with entry barrier. So I wish all the best to Bharat Forge to please keep the employees safe and strong as we are all safe only if each one of us is safe. Thank you very much and I wish you all the best.

- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Thank you, Mr. Boppana.
- **Mr. Tanay Mishra – Host:**
- Thank you, sir. I would now like to request Mr. Manjit Singh if he can please switch on his video and pose his questions.
- **Mr. Manjit Singh – Shareholder:**
- Sir, can you hear me?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yes, I can hear you, Manjitji, I can hear you.
- **Mr. Manjit Singh – Shareholder:**
- Namaskar to everybody. Chairman sir, director and all the employees of Bharat Forge and my fellow shareholders, I greet all of you, good afternoon.
- Sir, you have given good results during this quarter and I congratulate you for that. Can you please tell me that when you have presented such good results then why has the trust that the promoters have in you, reduced. Why is the promoter reducing the holding? Can you please let me know about it? I was waiting for the buyback but you have started selling your own shares, please let me know about this also. And it is good that you are also getting orders from the military. What is the Company's views regarding the electric vehicle which will be coming in the future. You have put in so much efforts since 1961 in the Company, it is 60 years now and we are your shareholders since then. Sir, please let me know what is this aspect about the subsidiaries, what is the contribution in our profit or loss. Bharat Forge Global Holding, Kalyani Strategic Systems Limited, I cannot mention the others, because we don't get hard copy. As we can't print all this from the computer. ATE Wires, BF Investments, Bharat Forge Aluminium USA, Sir, what is all this, all the directors are the same. And sir, in India they have put the big banner of unemployment. The youngsters who have done graduation are sitting at home. While here there is one director who is present in 4 to 5 companies. So, give the youngsters the chance. Just finish off the unemployment. Why are you supporting the livelihood of just one director? Please definitely tell me about play on subsidiaries. Because as our Company is in profit now. So, you will bring some subsidiary to merge with it. What is the use of this subsidiary with our profit or loss? And does a shareholder have any right in this Company or will he get shares of other companies also. If you have made these subsidiaries which are shown in the sensx as 50-55,000, what is the meaning of that? Are you going to list any of your Company in this subsidiaries? Please tell us about this. Because people have opened many companies like this for investment purpose. One of the other companies like yours, Rolex has been listed for a good rate, and it does similar work like yours. They have also collected a lot of money from the share market. Sir, nowadays there is cost cutting is going on. We have 14 Members of chairman and directors. Do we need these 14 directors? You will know better about it. See, if you can reduce these 14 directors because of cost cutting.

See, we have a full cricket team here. We have 3 extra players and 11 players. So, can anything be done about this and can you reduce the numbers, please tell me? And the fluctuation in the metal rates from last one to one and half years, how it will affect our Company's production and how it will affect the cost? And you have kept the meeting before 15th August. We can't send you a bouquet nowadays. So, we request the Company Secretary that if there is any WhatsApp number by which we can send wishes on WhatsApp, please provide that number to us. In the CSR activities as you mentioned that where there was a need for oxygen contractors and there was a need for ventilators the Company provided that. And generally in India anything can be purchased. And when we need it next time, it will not be available. So, wherever we have distributed, do we have a contract with the service contractor. Bharat Forge Company is attached to the name of Bharat. How will we prepare our players for 2024 Olympics and how will our Company help them? We have already received gold and in future also we should get more gold medals. It will depend on the players' preparation. And then it shouldn't happen that the Chief Minister of some state comes forward to help with that. Nobody sponsored the hockey team, be it men's hockey or women's hockey team. Because of the help of Odisha's CM, Mr. Patnaik, the hockey team could prepare themselves. And sir, one last thing, if you give me the permission, I will ask. In future, the Ram Mandir will be constructed in Ayodhya. Will the Company build any guest houses and all? Because shareholders of Bharat Forge are like a family to the Company. Will you do something like that or will you donate something to Ram Mandir. So, that the people from Bharat Forge will be benefitted with that. This is called Dasvand, where we donate 1% or 2% from our earnings, we call it Dasvand in Guru Sikh language. And if you do something like this in Ayodhya, it will be in the name of Bharat Forge. Our fame has gone till America but it should be there in India also, in Ayodhya. This is my humble request. Please forgive me, if I have hurt anyone or anyone's feelings with my statements. Thank you.

– **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**

– Thank you, Manjit Singhji.

– **Mr. Tanay Mishra - Host:**

– Thank you, sir. So, I may now request Mr. Rakesh Singh to switch on his video and then pose his questions.

– **Mr. Rakesh Singh – Shareholder:**

– Hello.

– **Tanay Mishra – Host:**

– Yes, sir, we can hear you. If you can switch on your video as well.

– **Mr. Rakesh Singh – Shareholder:**

– Hello.

– **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**

- Yes, Rakeshji.
- **Mr. Rakesh Singh – Shareholder:**
- Thank you for allowing me to speak in this AGM. I am Rakesh Singh speaking from Pune. I hope all of you and your family Members are safe in this pandemic situation. I have 2 questions, sir. Sales revenue decreased from 6,520 crores in 2019 to 3,652 crores in 2021. And net profit also decreased from 1071 to 312 crores in 2021 due to pandemic situation. Hope this will improve. My question is, what the actions are taken by the Company to improve the sales and profits. And second, what is our preparedness if Covid 19 wave 3 comes. And third question is targets and roadmap for next 5 to 10 years? So, these are my 2-3 questions. Thank you again for allowing me to speak. And I wish very good future growth of the Company. And happy Independence Day in advance. Thank you.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Thank you, Rakesh Singhji.
- **Mr. Tanay Mishra - Host:**
- Thank you, sir. I will now request the last speaker Mr. Yusuf Rangwala, to kindly open his video and pose his questions.
- **Mr. Yusuf Rangwala – Shareholder:**
- Good morning, sir. Can you hear my voice?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yes, Yusufji, we can hear you. Please go ahead.
- **Mr. Yusuf Rangwala – Shareholder:**
- Sir, I am very happy with our Madam Company Secretary for giving me a Rs. 2 dividend. And I am very humble.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yusufji, your audio connection is breaking.
- **Mr. Yusuf Rangwala – Shareholder:**
- Now, now, is it okay?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yes.
- **Mr. Yusuf Rangwala – Shareholder:**
- Now, it is okay, sir?
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**

- Yes, yes.
- **Mr. Yusuf Rangwala – Shareholder:**
- Sir, we have got a good order from the military and I want to know which other party do we have besides the military. And sir, there is a meeting after 2 days of Kalyani Steel which is one of Group companies. I am so happy to meet you that there is no word to describe it. Sir, you are such a good Chairman and you manage everything so nicely and you gave us 2 rupees dividend and that too during this Corona period. I am very happy with you and I don't want to ask you anything. I pray to God that our Company should prosper like this, it has been 60 years now. Next year we would like to get a bonus for you, sir. Sir, I want to visit you in Pune. Sir, if it is possible next year if we have a physical meeting then please invite me. Thank you very much. And happy Independence Day. Thank you, Jai Maharashtra.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Happy Independence Day to you too.
- **Mr. Tanay Mishra – Host:**
- Thank you, sir. Sir, I may now request the Chairman to go ahead with the rest of the proceedings.
- **Mr. Baba Kalyani – Chairman, Bharat Forge Limited:**
- Yeah. So, let me start with answering all the questions that were raised by our respective Members.
- First from Mr. Naik, Mr. Naik, you raised 3 questions. One was on manufacturing capacity. You referred to our manufacturing capacity as listed in our annual report. Now that manufacturing capacity is total including our overseas subsidiaries. If you look at our standalone business, our capacity is roughly around 400,000. And since revenue is consolidated, 8% drop is in standalone capacity utilization not on an overall basis. Global revenue was affected largely due to Covid impacting the subsidiaries also. And as you are aware three months of last year the plants were completely closed because of the lockdown in April-May-June from 23rd of March, so in effect we lost 25% capacity just because of the lockdown and then of course the prolonged down turn that was there in the system. The same was the situation in Europe, and therefore we see a reduction in revenue. And as you have seen in our first quarter of this year things have started picking up and I am quite confident that as the year goes by things will get a lot better. Your second question was on ESG reporting, we are very cognizant and let's say respectful of the ESG reporting system and you will see this in our annual report from next year and even in our quarterly formats. As I said in my talk we have taken multiple steps to increase the use of renewable energy, I mean create a more circular economy that is reusing of our waste rather than throwing it away, using less of mineral resources. And we have fairly concrete programs to bring our CO2 levels down very dramatically and we are trying to put a target date which we don't have as of now, maybe we will share it next time as to when we will become carbon free as a Company. There is a lot of work that needs to be done, you know, for basic industry like ours, metal steel

industries this is a big challenge and we have taken big steps in first converting all our power usage to renewables so today we have almost 20% of our energy coming from renewables and we will increase this more as we go further. We have also taken steps to reduce energy consumption quite dramatically. We are now working more in terms of a circular economy that is whatever waste that comes out of our plants is reused to make our raw materials. That is another step that we are taking and of course, we are doing a lot of work in terms of things like tree plantation, etc., to get a better ESG score. But we will have a detailed ESG report next time. Your third question was on BEML, yes, BEML as a Company the government of India has put it in the disinvestment program. We are one of the interested parties in this but apart from that I cannot really say anything more on this right now.

- I come to the second speaker, Mr. Arun Boppana, you asked multiple questions. First question was are all people vaccinated, I think almost 97% of our people are now vaccinated. We have run a full vaccination program for all our employees in our Company. There are some people who are either not available or probably not wanting to get vaccinated who are not vaccinated, but 97% people are now vaccinated in the Company. And these are both the vaccinations, first dose as well as the second dose, correct? Okay. And you talked about new skills, clearly with all the shift that is taking place in technology and the way things are going to be done in the future, the way products are going to be made, we need new skills. And largely the change in skill set is going to be going from traditional skills to more digitally oriented skills, more multi dimensional skills, and things like use of IOT, use of digital, use of all the tools that are available in the digital technology including virtual manufacturing, etc, and we are pretty much ahead in terms of retraining our manpower in this direction. We started this almost three years ago. We have a full fledged IOT training centre here and I think we have trained almost 50% of our people in this area and that process continues going ahead. We have a fairly comprehensive digital manufacturing process right now, so most of our processes work on a digital platform in terms of manufacturing so that is pretty much good. We use a lot of robotics in our system, we use a lot of automation in our system and this helps us keep our manufacturing reasonably ahead. Then you talked about what we are doing hiring of younger people especially in software. You know, one of the organizations that we have spun off and created into a subsidiary is Kalyani Powertrain which is dealing with our electric vehicle and electrification and light weighting vertical. That is where we have recruited a lot of people but we are in search of younger people who can do embedded software systems. Similarly in our defence vertical we have a lot of younger people who are competent in embedded systems software. This is one area where there is a big shortage of talent in this country, so we are looking at many different ways of how we can fill up this talent pipeline in terms of the software skills that are required, and obviously this is largely available with people with younger age group. Our defence sector is going on, a lot of things are happening there and we are quite pleased with the work that is happening, we have some orders that we have got which have been mentioned. Mining we are doing a little bit of work in mining. We have taken this as a priority sector for our future growth and we will be working something more, this will be part of our industrial group that we have. And your last question was on emission norms, we are pretty much, [a] we comply with all the emission norms. Second, we

are able to supply products to all the latest emission norms at least in the automotive sector so we are quite well as far as that is concerned.

- I come to the third gentleman, Manjit Singhji, you asked a question about promoter selling shares. First of all promoters are extremely interested in the Company and not selling shares. Sometimes you have to do a few things to invest in other areas, and that's the only reason. You talked about defence, yeah, we are very well engaged in defence. We have received orders now for an armoured vehicle that we will actually be deployed at almost 18000 feet, so we have some good technology in this area, and we continue to work with that. We have 3 or 4 major programs that we are working in the defence system. Then you asked many questions about subsidiaries, why do we have so many subsidiaries that we have created. I need to explain, Manjitji, the reason that Bharat Forge has made subsidiaries. We have 3 subsidiaries which are very important, one is a defence subsidiary, Kalyani Strategic Systems. It has been created as a different subsidiary because when the defence business increases the talent that is needed in that area, the people that are needed there and the organization that is needed there which is very different from the manufacturing organization. So we had to create a new organization for that. Second we have a subsidiary for electric vehicle and light weighting, Kalyani Powertrain. In that too different skill sets are needed, we need skill sets of people who understand power electronics, who understand embedded systems, software, etc. So it is a very different thing and that is why we have to create this subsidiary. And as the sales in these subsidiaries increase and the size of the subsidiary increases at that time we will look into what can be done with that. But in all these subsidiaries the existing shareholders of Bharat Forge will have the same shares, so there are no new shareholders in these subsidiaries, there are only existing shareholders. You spoke about the directors, we have executive directors who look after the work, and there are independent directors who are necessary due to the Company Law and the SEBI law. And the importance of the directors on the board is because of their experience which benefits us and our strategies a lot. You spoke about cost, I had already spoke about it in my speech that during the two years of Covid we have done a lot of improvement on cost and that is why today we see that our margins are very good and they are improving. You spoke about sports, we are doing a lot of work through CSR, we are doing a lot of work in the villages, for example in Maharashtra we are working in 100 villages. And one of the work that we are doing through our CSR is that we encourage local sports players. We have a NGO called Lakshya, through which we have encouraged a lot of local sports players. 2-3 players are in the Indian ranking, though they are not in the Olympic ranking. And we will continue to motivate them in this manner.
- Then I will come to Rakesh Singh who asked on, his first question was on sales coming down from 6200 crores to 3600 crores and profits thereof. Obviously this was caused by the Covid downturn on a global basis. Covid is not just a phenomena in India it is a phenomena all over the world and you will find this situation for last year everywhere in the world. In terms of actions, you asked what actions we have taken to counter this [a] we have taken tremendous actions on bringing the costs down and cost structure down of the Company and improving productivity and improving cash flow. So if you see our balance sheet today, our balance sheet is far better than what it was before the Covid started both in terms of the cash available

on the balance sheet, the deleveraging that we have done, the cost structure of our balance sheet is far better. We have also taken actions in terms of getting into new areas, one of the areas that I have mentioned was aluminium extruded oxygen cylinders, but there are many aluminium products that we have now developed because that is new trend that is going to take place in the automotive sector. We are also doing a lot of work in developing products in the renewable energy sector especially for wind energy. We believe that in the future the renewable sector globally will play a very leading role and India is going to be a major hub for manufacturing products for the renewable sector for the world, not only for India but for the world. Somehow we have created a sweet spot here and especially after people are trying to de-risk themselves from Chinese suppliers, they find India as a very let's say competitive and a good place to source products for the renewable sector. That's one of the areas that we are in. And in terms of electrification of automotive sector, we have created this subsidiary Kalyani Powertrain System, and they have done tremendous amount of work in two wheelers, in three wheelers in four wheelers in commercial vehicles that you will see the results of this in the next 18 to 24 months coming up. You asked a question in terms of can we put some targets/roadmaps etc, for the next 5 to 10 years, that is a bit difficult today to do because [a] we still have a lot of uncertainties on the Covid side. We have tremendous amount of technology let's say challenges and shifts that are taking place in our core business and I think all this has got to settle down before we can create targets and a roadmap. All we can say is our road map is for growth, our road map is to be in all these new sectors that are coming up and our road map is to be a participating in India's industrial sector in a big way. That is our current roadmap.

- Then I will come to Yusuf Rangwala, Yusufji, thank you very much for your comments, and we are happy to host you any time you want to visit our plant in Pune. Even now in the Covid times we are happy to host you as long as you have been vaccinated and you follow all the Covid appropriate behavioural norms for our Company. So we will be happy to welcome you any time you want. So I hope I have answered all the questions that Members have raised, and if there are any questions that are left to be answered, you may please write on the email that has been provided in the AGM notice and Members of our Company would be happy to answer those questions.
- Members may note that the voting on NSDL platform will continue to be available for the next 15 minutes therefore Members who have not cast their votes yet, are requested to do so. The board of directors has appointed Mr. S.V. Deulkar, failing him Mr. Shridhar Murliar, partners of M/s SBD & Associates, Company Secretaries as scrutinizer to supervise the e-voting process. Further I hereby 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 thank all my colleagues on the board of 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 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 families a very healthy and a safe future and a very happy independence day. Thank you very much.