

Bharat Forge Limited

Moderator

Good morning, ladies and gentlemen. I welcome you all to the 62nd Annual General Meeting of Bharat Forge Limited. Now I handover the proceeding to the company Secretary. Over to you, Madam.

C.S

Namaskar, and good morning, everyone. I am Tejaswini Chaudhari, Company Secretary of Bharat Forge Limited. I welcome you all to the 62nd Annual General Meeting 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 serve basis. Your company has tied up with Link Intime to avail the facility of e-voting and for 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 e-voting system provided by Linkin Time.

The register of Directors and key managerial personnel and their register of contracts or arrangements have been made available electronically for inspection by members during the AGM on Link Intime portal. 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 request from few members to register them as a speaker at the meeting. Accordingly, the floor will be open for those members to ask questions and express their views. 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 audio and video mode buttons on their system. Even if speaker are not able to switch on video mode, they can switch by using audio mode. 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 speaker 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 speech 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 these AGM is also increased through Linkin time platform. Thank you very much for your attention and participation.

I will now request Chairman to officially commence the proceeding of 62nd Annual General Meeting of Bharat Forge Limited. Thank you. Over to you, Sir.

Chairman

Thank you, Tejaswini. Good morning, ladies and gentlemen. I am Baba Kalyani, Chairman of the company participating in this AGM from my residence at Pune, extend a very warm welcome to you at the 62nd 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 Corporate Affairs and Securities Exchange Board of India. We here at Bharat Forge have always appreciated the physical presence of our shareholders, however conducting AGM, through VC allows seamless participation by shareholders as well as provides platform for the wider selection of shareholders to join the meeting from the comfort of their own locations. As your company thrives for sustainability and adaptability to shift to video conferencing alliance with these goals.

As the requisite quorum is present. I now call the meeting to order. Before introducing my colleagues, I on behalf of the Board would like to convey my appreciation and sincere gratitude to Mr. Kishore Saletore, who stepped down as Executive Director and Chief Financial Officer of the company in June 2023. The Board wishes him the best in his future endeavours. 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 attend the meeting this meeting with me, I will begin with him. Amit.

Mr. Amit

Good morning, ladies and gentlemen. I am Amit Kalyani, Joint Managing Director of Bharat Forge. I am also chairperson of the ESG Committee and member of the Finance and Risk Management Committee and CSR Committee. I am attending this meeting from my residence in Pune. Thank you.

Mr. Pratap Pawar.

Mr. Pratap

Good morning, everybody. I am Pratap Pawar, Independent Director and also chairman of CSR committee, Audit committee and Stakeholders Relationship Committee. I'm also member of Nomination and Remuneration Committee. I'm attending this meeting from my residence Baner Road in Pune. Thank you very much.

Mrs. Lalita Gupte.

Mrs. Lalita

Good morning, everyone. I'm Lalita Gupte, Independent Director of the company. I'm a member of the Stakeholders Relationship Committee. I am participating in this AGM from my residence in Mumbai. Thank you very much.

Sonia Singh.

Ms. Sonia

Good morning. This is Sonia Singh. I'm joining from my residence in Mumbai. I am an Independent Director on your company. Thank you.

Mr. K B S Anand.

Mr. Anand

I am Kanwar Bir Singh Anand, Independent Director of your company. Good morning, everyone. I am speaking from my residence in Mumbai.

Mr. Ravi Kumar.

Mr. Ravi

Good morning, everyone. I am P H Ravi Kumar, Independent Director of the company. I'm also a member of the audit committee of the company. I'm participating in this AGM from my daughter's residence at Sami Tiyon near San Francisco in the USA. Thank you.

Mr. Dipak Mane.

Mr. Dipak

Good morning, everyone. I am an Independent Director in your company. I am a member of the of the ESG Committee and I'm also at the Chairperson of the NRC and I am attending this meeting from the Bharat Forge headquarters in Pune.

I'm sorry, I missed his name before Dipak.

Mr. Vimal Bhandari

Mr. Vimal

Good morning, everyone. I am Vimal Bhandari joining this meeting from my office in Mumbai. I'm an Independent Director of the company. I'm also a member of the audit committee, NRC and the finance & risk management company. Thank you very much.

Mr. Murali Sivaraman.

Mr. Murali

Good morning, everyone. I am Murali Sivaraman, Independent Director of the company. I'm a member of the Finance and Risk Management committee and ESG committee on participating in this annual general meeting from my residence in Mumbai. Thank you.

Mr. Gopal Agarwal.

Mr. Gopal

I am Gopal Agarwal, I am the Deputy Managing Director of the company. I am attending this meeting from our office in Mundhwa, Pune.

Mr. Basavraj Kalyani.

Mr. Basavraj

Good morning, everyone. This is Basavraj Kalyani. I am attending this meeting from my office in Mundhwa. Thank you.

Mr. Subodh Tandale.

Mr. Subodh

Good morning, ladies and gentlemen. I'm Subodh Tandale, Executive Director. I'm attending this meeting from my residence in Pune. Thank you.

Thank you very much. I would also like to inform that Mr. Shiraz Vatsani, audit partner of M/s. BSR and Co LLP, who have signed this year's Auditors report and annual accounts, Mr. Sridhar Mudaliar, Partner of SVD and Associates, the Secretarial Auditors and Mr. Neeraj Joshi, Partner of Dhananjay V Joshi and Associates, the Cost Auditors of the company have also joined this meeting through video conferencing.

I would like to thank all the Directors, officials and the members for joining this meeting. The company has received 5 letters from corporate shareholders. Appointing representations under section 113 of the Companies Act 2013 in respect of 19,54,34,630 shares, 19,54,34,630 shares, sorry, representing about 41.97 of the 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, BSR and Co LLP and the secretarial auditors, SVD and associates have expressed unqualified opinion in respect of audit reports for the financial year 2022-2023. There were no qualification, 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 167 and 323 respectively of the annual report. The Secretarial Audit Report is enclosed as Annexure C to the Boards report on page number 83 of the Annual Report. The company has taken requisite steps to provide facilities to enable members to participate and vote electronically on all 8 agenda items of the notice of this Annual General Meeting. I would now like to address the shareholders on the business overview.

Chairman

Dear shareholders, ladies and gentlemen, it gives me immense pleasure to extend a very warm welcome to all of you at the 62nd Annual General Meeting of your company Bharat Forge Limited. The year 2022-23 was a glorious year as India celebrated 75th year of Independence.

What made this even special is that India's momentum towards becoming a growth driven economy and emerging out as one of the fastest growing large economies in the world. While India's accelerated growth journey has just begun, I can also claim with confidence that the year 2022-23 is an inflexion point that marks the beginning of your company – Bharat Forge's transformative and accelerated growth phase, led by technology-enabled products and platforms.

The year starting April 2022 to March 2023 witnessed intense geo-political and macro-economic volatility. The crisis in Europe and resultant geo-political developments disrupted the global supply-chains and sparked high inflation. Amidst such high tides of uncertainty, the Indian economy stood out and grew by 7.2% in FY23, supported by prudent Fiscal policies and a positive investment environment.

In the backdrop of a resilient global environment all segments and geographies of our company recorded meaningful growth. Our standalone revenue increased by 21% to Rs 75,727 million. Buoyed by higher capacity utilization, EBITDA increased to Rs 19,280 million recording a 15% YoY growth. On a consolidated basis our revenues increased to Rs 129,103 million registering a 23% YoY growth.

We have always endeavored to diversify beyond the core business to hedge our risk as well as broad base our growth. In this regard, FY23 was a turning point for Bharat Forge as some of these initiatives incubated over the past decade started their journey towards fruition.

Evolved at the middle of the previous decade, our Passenger vehicle strategy focused on chassis and engine components. Our persistent efforts on the engineering side as well as our brand reputation in the market helped us grow the PV exports business. Another segment we saw traction in was Aerospace where our revenue touched the USD 20 million mark last year. Our metallurgical expertise, ability to absorb newer technologies and defect-proof delivery helped us gain entry into the coveted league of Tier-I Aerospace suppliers.

The Industrial forging unit too has grown beyond Oil & Gas to cater to Mining, Agri and construction equipment. Despite a relatively flat year for Oil & Gas business, our Industrial business recorded a 13% YoY growth underscoring the impact of our diversification initiatives.

Our overseas operations faced a challenging year driven by issues around cost recovery, lower utilization rates and ramp up related issues. I can assure you that the worst is behind us. Being power-train agnostic these products are a play on the light-weighting and electrification endeavors of our global customers. Our facilities remain fully booked with orders. I am confident that our Aluminium portfolio will start contributing positively from the 2nd half of this year and yield industry leading returns going ahead.

As the operating environment for Indian manufacturing improves with themes like China+1, one sector that stands to benefit is the Industrial castings. A fragmented landscape in India currently, we believe the casting industry is ripe for consolidation. To fully exploit this opportunity and enhance our capabilities we have purchased Indo shell Mould's casting unit at Coimbatore. This asset will complement the existing JSA setup. This investment significantly enhances our capacity available for future growth.

Under the leadership of our Hon Prime Minister, India's journey to self-reliance in defence production has made significant strides. Right from earmarking a portion of defence capital spending for Indian companies to listing out the items through positive indigenization lists and

encouraging start-ups to build niche technology led solutions, defence policy has come a long way. The favourable policy support has allowed Indian companies to build world-class products for domestic requirements as well as tap other markets for exports. A major testament to this is the 1st artillery export order bagged by our company. I am pleased to inform you that we have begun deliveries for the artillery systems with the first batch dispatched in Q1FY24.

In another positive development for us, the government has granted Acceptance of necessity for an initial batch of 307 ATAGS guns. As activity levels in the artillery space rise, we have commenced work on a new green-field defence facility near Pune. We expect this unit to be ready in-time to cater for the increase in order intake anticipated over the next 12-24 months. True to the belief of AatmaNirbharta or Self-reliance, at Bharat Forge, we strongly emphasize on developing and resting complete Intellectual Property within India; all our products are designed and developed in-house with 100% IP ownership resting with us. While this does ensure a stable supply-chain and uninterrupted output, more importantly, this enables us to remain competitive in the world markets.

At Bharat Forge we are conscious of our Defence ESG commitments, accordingly we remain committed to stay away from weapons of mass destruction or any other platform that is banned by various UN conventions. We shall not engage in manufacture or be a part of the supply chain for controversial weapons.

The year 2022-23 has witnessed accelerated adoption of Electric Vehicles across all categories from electric-2Ws and e3Ws to passenger cars and electric buses. Most of our customers are also committed to the transition to Electric Mobility. We at Bharat Forge along with its subsidiary, Kalyani Powertrain Limited, aspire to create Indigenous capabilities, capacities to provide innovative new products and solutions to our customers and accelerate their transition to Electric Vehicles.

Closer home, while we acknowledge the Government of India's endeavor to push faster adoption of EVs, the sudden reduction in FAME subsidies has negatively impacted demand for the sunrise sector. While we support introduction of stringent regulatory guidelines to encourage localization and safety parameters, the government should remain committed to provide a continued and stable policy outlook.

Recognizing the Strategic Imperative to position the company as a Full-suite provider of E-Mobility solutions, the company is committed to make necessary investments in India and outside India; ensuring meaningful contribution to the Topline and Bottomline by 2025-26.

At Bharat Forge we take our commitments to environment, social and governance very seriously. As outlined in our annual report we aim to reduce the carbon intensity of our operations and become water positive by 2030. I am pleased to share that we have been recognized as the Asia Pacific Climate Leader for 2023 by Financial Times and Statista. On the social front, we serve the communities in and around our plants and help alleviate their livelihoods through a combination of education, skill development and village development initiatives. Through these projects we support agriculture, improve rural connectivity and build health infrastructure in the remote areas. Recently two of our long standing customers have recognized our endeavours towards sustainability and awarded us for it.

We truly believe that technology and talent are the differentiators between the better and the best organizations; companies that invest heavily in technology and digital capabilities will have 3X growth. Accordingly, we have built competencies around AI, Industry 4.0 to enhance

the capabilities of the products we make. To improve our human capital we have undertaken various initiatives around employee engagement and re-aligned our organization structure to make our company future ready. Through this journey we aim to remain agile and quickly adapt to the changing environment.

Translating our technology-led initiatives into business and financial targets we have laid out a Vision 2030 for our organization. We intend to achieve a revenue CAGR of 12-15% over FY23 to FY30 and improve our RoCE by 500 bps from current levels. Considering the longer time-frame we will review these targets by FY26-27 to reflect back and take corrective action as deemed fit.

We are well-positioned in terms of capacity, technology and talent. We have invested significant resources in the sunrise sectors and brought some of those into production already. We believe Indian manufacturing is at very crucial juncture and the global developments presents us a great opportunity. We remain confident that Bharat Forge will play its part and remain ahead of competition.

I would like to take this opportunity to thank all our valued customers, domestic and international, for their unstinted support. They are a source of great encouragement and motivation for us and I am confident that we will benefit from their continued support. I would like to express my sincere thanks to the Government of India, the various State Governments, Financial Institutions and Banks for their sustained encouragement and support to your company.

Finally, I convey my personal gratitude for the confidence that you have reposed in your company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us so that we, along with the management team, and all employees will further accelerate the growth and progress of your company.

The next decade holds great promise for us. We seek your continued support as we create value for our stakeholders. Thank you.

We now take up the agenda items set forth in the notice namely:

Agenda Item No 1: To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, and the report of Auditors thereon

Agenda Item No 2: To declare a final dividend on Equity Shares for the Financial Year ended March 31, 2023.

Agenda Item No 3: To appoint a Director in the place of Mr. S. E. Tandale, who retires by rotation, and being eligible, offers himself for re-appointment as a director liable to retire by rotation.

Agenda Item No 4: Ratification of remuneration of Cost Auditors.

Agenda Item No 5: Revision in terms of remuneration of Mr. B. P. Kalyani, Executive Director

Agenda Item No 6: Revision in terms of remuneration of Mr. S. E. Tandale, Executive Director

Agenda Item No 7: Approve Material Related Party Transactions with Saarloha Advanced Materials Private Limited

Agenda Item No 8: Approve Material Related Party Transactions with Kalyani Steels Limited

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 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. Sir, our speaker shareholders Mr. H. S. Patel, Mr. Anil Mehta, Mr. Prabjyot Singh Sahni and Mr. Aspi Bhesania have not yet joined the meeting and hence we will move to the next speaker shareholder. Our next speaker shareholder is Mr. Shailesh Mahadevia. Mr. Shailesh. Mr. Shailesh,

Mr. Shailesh Mahadevia

Yes, I am joining. I have un-muted myself and now also my Video. Respected Chairman, distinguished group of Directors and management team members and also team members of the promoter family. Sir, congratulations for achieving excellent result during the year under consideration and it has been very well reproduced in the annual report submitted to the shareholders at large of about 524 pages in particular. I would like to appreciate the ESG rating for which you have gone to 6 institutions who have given an excellent rating and, I'm sure companies which invest according to ESG rating will also take active interest with our company.

Sir, I now wish to put some questions with a view to increase my understanding and appreciation for my first question and suggestion regarding BRSR report which is very good but Sir it has been prepared on standalone basis. That doesn't give a complete idea about the working of our company. So, my suggestion is that kindly make such a report on a consolidated basis. Sir, my next question is for example in our standalone we have given an idea that our export income is 58.90% sir. May I know whether these export figures are for standalone or for consolidated?

Sir, my next question is that about 94% of our income is coming from steel forgings, from finished machining and from front axle assembly and components. Sir, can you give us the details that what is the share of each of these 3 sources of income? Sir, my next question is regarding the rate of attrition which was as high as 10.56% in the year under consideration as against 5.796 in the previous year. Sir, this is attrition is regarding employees. We can understand that the workers attrition rate can be high but in case of employee's attrition being so high Sir, what effort you are making to reduce this particular attrition rate.

Sir I would also like to appreciate that all the members of the Board of Directors have attended each and every meeting during the year and they have also attended the AGM. This shows the commitment of the Board of Trustees of our company. Sir my hearty congratulations on this particular aspect. Sir, my next question is regarding the debt which you have created of 2000 million rupees. Sir, what I want to know is that what is the rate of interest at which this particular debt has been created. Sir, you have given excellent data about the 5-6 capitals of our company. What is its position on the last day of the year? Sir, my suggestion is that this particular 6 capitals should give what is the capital in the beginning of the year and how much capital we have generated during the year and what is the position at the end of the year.

For example, sir, we have given that employee production and lost time, lost time at the end is 0.68%. Now, what was the lost time in the beginning of the year? So similarly on all parameters, if such details are given, we get a precise information about what is the change we have made in the 6 capitals for which the Company is working very hard for the benefit of all the members. Sir, may I know if there is any PLI scheme declared by the government as far as our industry is concerned and whether we are likely to participate in this particular scheme? Sir I will also appreciate if you can enlighten us about the first quarter result about which I have not been able to go through it in detail. And Sir, my last question is regarding the world GDP, which has been estimated at only 3%.

However, the fear of recession has gone, but at the same time for how this situation is likely to affect our business. And how soon we will be able to get our optimum production and benefit answer my last request to your secretarial department and also to link which is being provided. I was only informed this morning that I have been accepted as a speaker for the meeting Sir. I would have very much appreciated if I had been informed at least 2-3 days in advance that I have been accepted as speaker. And what is my speaker number, Sir, I would like to appreciate co-operative service of the Company Secretary. At the very first request I got the physical copy of the report which I am comfortable at my age of 85. Sir, I wish our company every success in all our efforts in the times to come. And Sir I would like to appreciate the rest your residential decoration from where you have joined this meeting. You have an excellent test for life.

Thank you very much and my namaste to all of you.

Mr. Babasaheb Kalyani

Thank you. Namaste.

Moderator

Thank you, Sir. Our next speaker for the event is Mr Om Prakash Kejriwal. Mr Kejriwal.

Mr. Om Prakash Kejriwal

Am I audible, Sir?

Moderator

Yes, Sir. You are audible, Sir.

Mr. Om Prakash Kejriwal

Thank you. Good morning, Sirji.

Mr. Babasaheb Kalyani

Good morning.

Mr. Om Prakash Kejriwal

Good morning, everybody. Myself, Om Prakash Kejriwal. Your equity share order from Kolkata. Thank you Sirji for providing me the platform to speak something before you. Thank you to the Secretarial Department for helping me in registration as a speaker shareholder. Sirji, this is my second AGM only due to virtual. It is just opportunity for me to join this AGM sitting in Kolkata. If possible please follow this virtual AGM in next year also, so that more and more shareholder could join our AGM and express their views. Sir you Wow! What result, Sirji mind blowing performance and for this would like to congratulate you and your whole team along with the Board of directors ko. Sirji, we reached at pre COVID level. In 2018-19, our EPS was ₹23. Which is ₹22.45 in financial year 22-23 on external basis in current quarter June quarter our working is excellent. Revenue and net profit highest as I think. Once again, many thanks for such type of excellent results. Sirji I have few suggestions / queries. With the split our shares in two into one ratio so that more and more investor could join our company and more investor means more popular company. Export- We are exporting truck products to USA. What is the order position from US and Europe? Because as per media, there is restriction like position in US and Europe. Defence product- What is the order volume from India? Are you exporting these products? In which countries we are exporting? Advantage our order volume from abroad in defence product. Sirji, please let me know something about our future prospect and what is our Capex plan for next 2-3 years. Sir, I am your very old shareholder, so please organise a factory visit and invite us. We are very much interested to see our factory. I had requested for physical copy of Annual Report, if possible please send me copy of the same. At last, sirji please maintain your smile and be cheerful. We are always with you as a long term investor. It always feels great to interact with you, it feels as if I am interacting with my older brother.

Thank you. Many many thanks.

Mr. Babasaheb Kalyani

Thank you, Kejriwal Ji. Thank you.

Moderator

Thank you, Sir. Our next speaker for the event is Mr. S K Limaye.

Mr. S K Limaye

Can you hear me?

Moderator

Yes, Sir. You are audible.

Mr. S K Limaye

Yeah, Good morning, Sir and good morning all my board members and our all participants. I am S. K. Limaye from Pune. I have just 2 questions. So number 1 is our profit was this time 508 crores as against 1077 crores last year, which is less than half of last year and yet we call it a very strong year and good year, glorious year, So what exactly happened to our profits because that is something I could not find it anywhere in that voluminous report and secondly, our Kalyani Strategic system, our subsidiary accepted the order export order of 115.55 U.S. dollars which is very good.

I was in fact waiting for this type of news and in that we are exporting this defence equipment, there is exactly excellent to happen and Sir what is the domestic share from Government of India, what kind of order we have got for defence equipment, artilleries especially then Sir our projects in progress were also less than last year that means 530 crores against 599 crores last year. So that adds to more to my question that what where did the profit go ? where we could not make that profit in spite of an increase in revenue and all Sir. Lastly next year I request you to hold the meeting in the traditional form because we love to go to our company and Needless to say Sir, we missed that lunch also. Thank you very much, Sir.

Mr. Babasaheb N. Kalyani

Okay. Thank you, Mr. Limaye.

Moderator

Thank you, Sir. Our last speaker for the event is Mr. Mahesh K Bubna on behalf of LIC Mutual Fund Asset Management Limited. He has not joined the meeting today so we can move to the next agenda. Over to Chairman Sir.

Mr. Babasaheb N. Kalyani

Okay, I will thank you very much for all the questions that were raised by various shareholder speakers. First question, first speaker, Mr. Mahadevia. Thank you for your remarks on the ESG. I have taken note of your BRSR report on standalone as well as consolidated and we will see what we can do in that from the next year onwards. Your next question was on exports. On the standalone you said 58% exports. I want to explain our export, Let's say well, in a blueprint in little more detail we have, we should look at what is our total export coming out of India manufacturing and what is the result that comes out of India manufacturing and as overseas manufacturing is concerned that anyway is sold in the overseas countries. So if you look at India manufacturing, traditionally our exports has been largely automotive components, largely components for heavy duty trucks.

But as of now, we are exporting products not only for trucks. Matter of fact, we have increased our market share for the traditional products. We are increasing our exports for passenger cars. We have become one of the largest suppliers of pass car critical components in the world today, both in America as well as well as in Europe and other parts of the world but more interestingly, we now have added 3 more verticals in our business for exports. One of those verticals is now construction equipment and mining or the industrial products. We see a big opportunity here and the casting business that we have acquired will play a big role in the export of these products. So, it also provides us a major diversification from just automotive, industrial products. The next area of exports is aerospace, our aerospace business, although small at 20

million dollars but growing at a very fast rate, almost growing at 30-35% per year and we expect to see this growth of 30-35% over the next few years and this will become by 2030 a very large business, very niche business, very high technology business and of course last area of exports is defense.

In defense, your Company always took a strategy that we will produce our own products through our own technology. So therefore, we have spent a lot of time, the last 7-8, 10 years almost to develop our own technology in artillery guns, in naval systems, in air defence systems, in ammunition, consumables and this is the result of this what we are seeing today that we now have export orders of over 2000 crores in this area. We have just started the first shipment of exports that happened in the first quarter of this year and we will see increasing exports of defense products as we move along. So, this will be a very major diversification for us. The question that was also asked by other people was what is the orders from the domestic sector for defense?

We are getting fairly reasonable number of orders from the domestic sector for defence in many different categories on the artillery guns, it takes order will happen before the end of this year but we have many other components that we are supplying to the Indian Army, to the Indian Navy, the Indian Air Force we are supplying Armoured vehicles. The Indian Army vehicles that are operating at 20,000 feet in the Himalayas. So, we have a very wide range of products that we have developed and which we are supplying. So, we will see our defense business grow to a very substantial level in the next few years. You asked about attrition. We don't have a very large amount of attrition. Actually, we are trying to right size through voluntary retirement programs and things like that. So we are trying to get the numbers down as part of our cost reduction exercise also and as we move towards more digital and AI related technology, we expect to see dramatic improvements in our productivity in the next few years and therefore we would require less people to do more and that's the strategy that we are deploying in our manufacturing sector.

Mr Shailesh, you have made a suggestion on, you know, giving data at the beginning of the year and end of the year, both in terms of capital and in terms of other parameters. We will try and do that from the next report. And you asked about PLI schemes! Currently, the PLI scheme is only available to us in the electric mobility related business, where we will produce domestically designed electric mobility components that still electric mobility in India is still gathering momentum, it will take a few years before this starts happening. But yes, there is an opportunity for us to move in that direction.

Then I will come to the question regarding results for Q1. We had our best quarter ever in the Company largely because of our addition of defence exports. So, we had sales of about Rs. 2,127 crores, which was roughly about 20% higher than last year's first quarter and we had a operating margin of about 40.5%. We had EBDIT of 553 crores, which is also about 20% higher than last year and we had a PBT of 421 crores. So, this was a good quarter, but we will see better than this quarter as we move along as our new business start kicking in. There will be some ups and downs, but by and large we expect to see 23-24 as the best year for our Company so far and the beginning of our growth period in the Bharat Forge 2.0 era.

You talked about world GDP and fear of recession. Yeah, we hear about this every day on the television. We hear a lot of remarks by many political global leaders on this issue. But when we talk to our customers, our order books are fully booked and matter of fact, we are now expanding our capacities. We are investing roughly about 1000 crores in capital expenditure in this year and next year in 3 different areas. A large amount of this is going in our traditional

products, forgings and machining then some of age is going in creating our capacity, larger capacity for defense products such as artillery, guns and vehicles and 3rd some amount of it is going in creating capacities or technology components for electric vehicles. So this is the area where we are investing and roughly the investment currently approved in the board is a part of 1000 crores.

Then I will come to what Mr. Kejriwal talked about. I have already given Mr. Kejriwal the details of our exports. Our exports are only increasing. Our export market share is increasing with existing customers and we are in a very good position in this area and now we have these 2-3 new areas where our exports are growing, 2 of them will grow very fast, industrial exports as well as defense. You know, this is the first time ever an Indian company is able to export an artillery gun out of India to European country, first time ever in the last 75 years after independence. So I think it's something that the country needs to be very proud of and done by a private company.

I have talked about defence orders etc. I have talked about the Capex plan. Factory visit, you are more than welcome Mr. Kejriwal. Please get in touch with our secretarial department and they will organise your factory visit. You need a physical copy of the balance sheet. It will be provided to you without any problems.

Then I will come to Mr. Limaye. Mr. Limaye, your data is not very correct. You said our consolidated profits have been have reduced. That reduced, yeah before last, March 23, yeah and now it's slowly going up and as we have said in our first quarter presentations, we see a big turnaround in this. In defence, we see also reasonable orders coming to our company and you talked about physical meetings. we are actually happy to have physical meetings. We will try next year to see whether we can add physical meetings as we used to have before in our Company.

So, I think I answered all the questions that were asked if anything else is left. Please get in touch with our Secretarial department and they will be very happy to give any explanation or answers. Thank you very much.

Members may note that the voting on Link Intime 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. Sridhar Mudaliar, failing him Mrs. Sheetal Joshi, partners of M/s SVD & 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.

Thank you.