BHARAT FORGE LIMITED

Registered Office

Mundhwa, Pune Cantonment, Pune 411 036

CHAIRMAN'S SPEECH

TO THE MEMBERS OF THE COMPANY AT THE

65th ANNUAL GENERAL MEETING

ON TUESDAY, 11th AUGUST, 2026

Dear Shareholders, Ladies & Gentlemen:

It gives me immense pleasure to welcome you to the 65th Annual General Meeting of your company, Bharat Forge Limited.

This year is particularly significant for us. Alongside this AGM, we celebrate six decades of manufacturing excellence. On 4th July 1966, the first piece of hot metal was forged on a hammer at Mundhwa. What began as an ambitious entrepreneurial vision has evolved into a globally respected advanced engineering and technology-led manufacturing enterprise, with capabilities that extend across continents, industries, technologies and strategic national priorities.

This journey has been built by generations of employees who dedicated their talent and hard work to the company, by customers who entrusted us with their most critical applications, and by shareholders who believed in our vision through every cycle of growth and transformation. When your company crossed a market capitalization of Rs 1 lakh crore in its 60th year, more than a financial milestone, it reflected sixty years of trust, innovation, resilience and value creation.

On behalf of the Board, I express my deepest gratitude to all those who have contributed to this remarkable journey. The trust you have placed in us is the foundation on which this institution is built, and it is a responsibility we carry with the utmost seriousness.

The Year Gone By:

The global environment during FY26 remained challenging. Geopolitical tensions, trade policy uncertainty in our largest export market, supply chain disruptions and energy market volatility created significant turbulence across industries and geographies. Many enterprises found themselves at the mercy of these forces. Your company chose a different path: we absorbed the turbulence, protected our customers, and stayed firmly on course. At Bharat Forge, we believe our destiny is shaped by our own decisions, discipline and execution. Six decades of navigating cycles and disruptions have embedded a resilience in our culture that keeps us focused on long-term value creation.

Against this market volatility, the company delivered a resilient performance. A diversified product mix, deepening market penetration across geographies showed up in a resilient financial performance. At a consolidated level, sales were at Rs 168,117 million while EBITDA was Rs 29,108 million translating in a Consol EBITDA margin of 17.3%.

BFL 2.0 – The Next Chapter of Value Creation

Over the past two decades, Bharat Forge transformed itself from just a domestic automotive component manufacturer into a diversified global engineering company, expanding across geographies, materials, technologies and industrial sectors. The next phase of our journey will be even more transformational.

The future increasingly belongs to owners of technology, intellectual property. Recognizing this shift early, we have invested significantly in building proprietary capabilities that move us higher up the value chain. Bharat Forge 2.0 represents this strategic transition.

Our traditional strengths in manufacturing excellence, metallurgical expertise and precision engineering remain as relevant as ever. These strengths will increasingly be complemented by proprietary products and in-house intellectual property ownership. Together, they will define the trajectory of your company for the next decade and position us as a globally competitive, technology-driven industrial enterprise. This is Bharat Forge 2.0, and it is already taking shape.

Forging Business –

Our forging business continues to be one of the most diversified in the world, serving multiple sectors, geographies and applications. This diversification is the outcome of deliberate strategy, designed to reduce cyclicality while positioning the company to participate in emerging global opportunities.

We are strengthening our presence in specialized forgings for aerospace platforms, data centre power infrastructure, semiconductor manufacturing equipment and other highly demanding applications where quality, reliability and technological capability create sustainable competitive advantages. These are industries characterized by high barriers to entry, long qualification cycles and enduring customer relationships. They represent the future of advanced manufacturing, and Bharat Forge is positioning itself at the forefront of these opportunities.

Aerospace: Establishing a Global Presence

One of the defining achievements of FY26 was the progress of our Aerospace business. During the year, we secured record order wins from marquee global aerospace customers for complex components across landing gear systems, engine components and aerostructures. These orders validate the investments we have made over many years in precision manufacturing, quality systems and engineering capability. More importantly, they provide revenue visibility extending well into the next decade.

In aerospace, trust is earned over time. It is built through flawless execution, uncompromising quality and consistent reliability. These attributes have made Bharat Forge a preferred partner for safety-critical aerospace components, and we remain confident that this business will become a significant contributor to the company's future.

Creating Technology-Led Product Businesses

Our focus on offering proprietary technology is the cornerstone of Bharat Forge’s products strategy. We believe IP ownership of the product is the biggest value proposition we have on offer. Seeded initially through our Defence business, we have added Axle aggregates in the year gone by in this area.

Defence : In Service of the Nation

Defence remains one of the most important pillars of our long-term growth strategy, and nothing gives me greater satisfaction than the role your company plays in strengthening India's defence preparedness.

The last decade has witnessed a structural shift in India's defence ecosystem, as the nation pursues an ambitious journey towards indigenous capability development and strategic self-reliance. At Bharat Forge, we are proud to stand in the front rank of Indian industry answering this national priority.

During FY26, we secured the close-quarter battle carbine contract from the Ministry of Defence for the supply of more than 255,000 carbines to the Indian Armed Forces. We co-developed the Vikram VT21, a next-generation 8x8 armoured platform, in collaboration with the DRDO, and advanced the indigenisation of key defence systems, including the 30mm turret. Each of these programmes deepens India's sovereign capability.

Our ambitions extend far beyond artillery systems. We have expanded in the naval domain with integrated platform management systems, propulsion-related components and marine gas turbine power solutions. Our recent contract for the supply of marine gas turbine generators for the Kolkata Class warships is an important step in establishing a broader naval franchise, with many more positive developments to unfold.

Alongside product development, we have built robust execution infrastructure. Our state-of-the-art multi-domain Defence facility at Jejuri will enter commercial production in the current fiscal, supporting deliveries of the ATAGS and carbine programmes.
Simultaneously, our entry into defence explosives and propellants, with a dedicated facility coming up in Andhra Pradesh over the next two to three years, marks another milestone in creating a comprehensive and integrated defence manufacturing ecosystem.

The direction is clear. We aspire to build Bharat Forge into one of India's most significant defence technology and manufacturing enterprises - products designed in India, made in India, and deployed in defence of India - contributing meaningfully to national security while creating long-term shareholder value.

- **Axle Design and manufacturing –**
  Our acquisition of K Drive Mobility marks another important milestone in our evolution towards product ownership. The axle business gives Bharat Forge a technology platform aligned with future mobility trends while remaining agnostic to powertrain architecture. Whether the future is driven by conventional fuels, alternate fuels or electrification, axle systems remain a critical enabling technology. The company has already secured promising wins across light commercial vehicles, buses, SUVs and electric mobility applications, and over time we expect this business to emerge as a significant contributor to both growth and profitability. As the company's technology platform becomes more comprehensive, K Drive will also look to compete in the Off-Road market.

Castings

- Our **Ferrous Castings** business continues to deliver outstanding performance, compounding sales and profitability at nearly 15% CAGR since acquisition. This progress demonstrates our ability to transform acquired assets through operational excellence, market diversification and strategic investment. The participation of Premji Invest, with an infusion of Rs 300 Crore for a 23% stake in

JS Autocast, further validates the long-term potential of this business and reinforces confidence in its trajectory. Since acquisition, JSA Autocast’s revenue mix, customer profile, product portfolio has seen major diversification ensuring good revenue accretion and profitable growth.

Investing for the Future: Capex –

Sustainable value creation demands that companies invest ahead of demand. Over the next 12-18 months, Bharat Forge intends to invest approximately Rs 2,000 Crores across strategic growth initiatives in our India operations. These investments will expand our capabilities in advanced forging technologies, defence systems, defence explosives, semiconductor-related applications and data centre infrastructure components.

We are investing for the next decade. Every rupee of this capital is being deployed with a single test in mind - does it strengthen the company's position for the years ahead? The industries we are targeting represent structural growth opportunities with significant potential for value addition, technology leadership and global competitiveness.

Dividend

Reflecting our performance and our confidence in the future, your Board has recommended a final dividend of Rs 6.5 per equity share, taking the total dividend for FY26 to Rs 8.5 per share. This is consistent with our philosophy of rewarding shareholders while retaining the strength to invest in long-term growth.

Business restructuring –Decisive Portfolio Actions

Sound stewardship also means acting decisively where circumstances demand it. Our European steel forging business has faced cost and market-related challenges, and with the aim of right-sizing our manufacturing footprint in Europe, we are on track with our restructuring at CDP Bharat Forge, which we expect to conclude by the end of CY 2027.

E-mobility outside China has encountered headwinds, and accordingly we are repositioning Kalyani Powertrain on the strengths built over the past years. We take these decisions with clear eyes, because your capital deserves nothing less.

Responsible Transformation: Environmental, Social and Governance (ESG):

As we pursue growth, we remain equally committed to responsible and sustainable development. Our ESG agenda is fully integrated into business strategy and monitored at the highest levels of governance, and the continuous upward trajectory of our ESG rankings by external rating agencies validates this resolve. Our goals include becoming **water positive by 2030**, achieving **zero waste to landfill by 2030** and attaining **carbon neutrality in operations by 2045**.

Beyond our environmental commitments, we continue to invest in social development through **healthcare, education, skill development and livelihood enhancement programmes** not just in the communities around our plants but also, in the remotest areas of our country.

Looking Ahead

As I look towards the future, I do so with confidence and optimism. The world is entering an era in which supply chain resilience, technological sovereignty, advanced manufacturing and national security will shape industrial competitiveness. These are precisely the areas where Bharat Forge has been building capabilities for years.

Our strategy is clear:

- To strengthen our core businesses.
- To expand our leadership in advanced engineering.
- To build globally competitive proprietary products.
- To contribute meaningfully to India's technological and industrial aspirations.
- And to create sustainable long-term value for our shareholders.

The opportunities before us are larger than at any point in our history, and we possess the capacity, technology, financial strength, talent and strategic clarity required to capture them. Most importantly, we carry forward a culture that has always treated challenges as opportunities to demonstrate leadership. Sixty years ago, we began with a single hammer and an idea. Today, we carry the confidence of six decades and a vision for the decades to come - an Indian enterprise, rooted in Indian soil, competing with the best in the world with an unwavering focus on contributing to Nation Building.

Conclusion with Acknowledgements

I would like to express my sincere appreciation to our valued customers, suppliers, employees and business partners for their continued trust and unstinted support; they are a source of great encouragement and motivation for us. I thank the Government of India, the various State Governments, financial institutions and banking partners for their continued encouragement as we pursue our growth ambitions and contribute to national development.

I express my sincere gratitude to my colleagues on the Board for their wise counsel, rigorous oversight and unwavering commitment to the highest standards of governance. Their collective experience and judgement have guided the company through a demanding year and continue to shape its future with clarity and conviction.

Finally, I extend my deepest gratitude to you, our shareholders. Your confidence has been the foundation upon which Bharat Forge has built its success, and you have stood with this company through cycles and challenges. We value that trust immensely. I assure you that your company remains committed to prudent capital allocation, disciplined execution and the pursuit of sustainable long-term growth.

As we enter the next chapter of our journey, we do so with conviction, purpose and ambition. The story of Bharat Forge has always been one of resilience, reinvention, agility and Nation Building. It is my firm belief that the best chapters are still ahead of us, and it will be our privilege to continue rewarding your trust.

Thank you.

JAI HIND.