

B H A R A T F O R G E

November 14, 2025

To

BSE Limited
Corporate Relations Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001
Maharashtra, India

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India

Scrip Code: 500493

Symbol: BHARATFORG

Sub.: Transcript of the Analyst / Investor Conference Call on Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2025.

Ref.: Regulation 30 and 46 (2) of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Dear Sir / Madam,

Please find enclosed herewith the transcript of the Analyst / Investor Conference call, which took place on Tuesday, November 11, 2025, after announcement of the Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2025.

The same is also available on the website of the Company at:
<https://www.bharatforge.com/investors/reports/analyst-conference-calls>

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bharat Forge Limited

Tejaswini Chaudhari
Company Secretary and Compliance Officer
Membership No.: A18907

Encl: As above



KALYANI

CIN L25209PN1961PLC012046

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2451 6704 2544 (Secretarial) Fax 020 2682 2163
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

BHARAT FORGE



"Bharat Forge Limited Q2 & FY'26 Earnings Conference Call"

November 11, 2025

BHARAT FORGE



**MANAGEMENT: MR. AMIT KALYANI - VICE CHAIRMAN AND JOINT
MANAGING DIRECTOR, BHARAT FORGE LIMITED
MR. KEDAR DIXIT - CHIEF FINANCIAL OFFICER, BHARAT
FORGE LIMITED
MR. SUBODH TANDALE – EXECUTIVE DIRECTOR, BHARAT
FORGE LIMITED**

BHARAT FORGE



Bharat Forge Limited
November 11, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY'26 Earnings Conference Call hosted by Bharat Forge Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Kalyani – Vice Chairman and Joint Managing Director, Bharat Forge Limited. Thank you and over to you, sir.

Amit Kalyani: Thank you. First of all, a very warm welcome to all our friends in the analyst community and the investor community. Thank you for joining our Q2 investor call. I am joined here by our finance investor relations and global business development teams.

I will first have Mr. Kedar Dixit – our CFO, take you through our numbers and then I will take you through a short overview and then we will do a Q&A. Go ahead, Kedar.

Kedar Dixit: Thank you and welcome to Bharat Forge conference call.

Talking about standalone business highlights for the quarter and H1 FY'26:

The revenues, standalone revenues were at INR 1,947 crores which was a QOQ degrowth of 7.5%. The rapid degrowth in North American CV market coupled with inventory destocking has impacted our export performance and that is the main reason for the drop. CV exports to North America are down 48% on a sequential basis and about 67% on a YOY basis. Passenger vehicle and other industrial segment has shown the resilience limiting the impact on the profitability. Standalone EBITDA in this quarter was at INR 545 crores with 28% margins which was lower by about 7.3% sequentially. This includes INR 24 crores on account of tariff charges.

Talking about the H1 performance:

Revenues were at INR 4,052 crores and EBITDA margin at 27.9%. From a consolidated revenue perspective, the quarterly revenues were INR 4,032 crores and EBITDA margins were 17.7%. Steady performance in overseas subsidiaries and strong execution in defense has helped the bottomline performance. Quarter 2 numbers also include first time consolidation of K Drive Mobility which was the American Axial India Manufacturing business which we acquired. The integration progress is on track.

Talking about the 6 months:

The consolidated revenues were INR 7,941 crores with EBITDA margin of 17.6% and we had cash of about INR 2,300 crores on a consolidated basis. During H1 of this fiscal, the Company had secured new business worth INR 1,582 crores across all key businesses which includes Bharat Forge Component and Industrial business of INR 823 crores, defense INR 559 crores and our casting business of INR 200 crores.

Talking about overseas subsidiaries:

The European aluminum operations were stable amidst lower demand due to holiday season. Utilization levels in Q2 were about 60%-65%. During the quarter, European operations recorded EBITDA of INR 32 crores. US aluminum had a benign quarter given the sentiment in North American passenger car market. US operations recorded EBITDA of INR 16 crores for this quarter. The current utilization level of aluminum business in US was about 65%. We continue to evaluate restructuring options for our European steel operations, and we will update the progress by end of this fiscal.

Now I handover to Mr. Amit Kalyani.

Amit Kalyani:

Good afternoon, ladies and gentlemen.

I will just share some observations and outlook with you:

The reality on the ground is that '26 is turning out to be a very interesting year because of demand uncertainty in the North American market due to the trade policies and kind of constant changes we are seeing in it. CV exports do look weak as we sit in November but they should show signs of recovery because at this point in time there is a lot of destocking taking place due to the deceleration in the production numbers but let's say the supply side rate from our side is significantly lower than the build rates.

There are a few more important aspects of our performance:

Our balance sheet remains strong with a consolidated cash of about INR 2,300 crores. Our Indian manufacturing which is our Indian forging, defense, casting plus axle aggregates now accounts for about two-thirds of our consolidated revenues across our global business and it's well diversified across segments and geographies. Aerospace now accounts for about 13% of our industrial exports and we expect this business to grow at a very healthy rate going forward as well. We have secured new orders and new business in the last quarter as well.

There are clearly some weak spots in our overall business portfolio which we are working to sort out which mainly includes our overseas steel business and to some extent our EV business in India. Our

constant endeavors to diversify our business mix and this has proved to be very relevant and paid off as you can see that we are weathering the storm far better than companies that are directly playing only in one or two sectors. While the cyclical businesses will rebound at some point down the line there are many new businesses which will start to generate revenue and growth going forward in the next 1-2-3 years.

As the cash flows from the businesses increase further strengthening the balance sheet, expect that we will look at doing more acquisitions in India. So, we are raising some funds right now. This is all debt. It will be a combination of debt plus NCD and this is both for organic growth plus for inorganic growth in India. So, we have taken an enabling approval of up to INR 2000 crores and we will action this depending on when the timing is right.

So, what I would really like to say is that we will continue our focus on our customers, products and opportunities globally but we are going to double down on India as most companies in the world are because it's the fastest growing global market with the most headroom for growth. So, we have created a strategy that will allow us to get a stronger piece of the action in India and we are going to take some very fundamental steps to implement a growth strategy that allows us to get a larger share of this business.

In terms of second half outlook in defense:

We should see the momentum pick up for defense as execution improves. Aerospace for the full year, aerospace will record strong growth over last year. The recent tie-up of orders with global aero engine majors for existing and new programs offers good long-term visibility.

On JS Auto:

We are seeing continued growth. We should see better topline and EBITDA performance in second half. JSA continues to receive strong business inquiries and traction in export markets as well. Our Q2 sales growth for JS was about 26% and EBITDA growth of about 44%. So, clearly, even the profitability of the business is improving.

New additions like K Drive Mobility offer significant long-term opportunities on the product side. Our focus is on our Indian manufacturing portfolio across steel forging, ferrous and aluminum casting is helping us increase our content per customer and also to move at a platform level with our customers. As global MNCs increase their sourcing from India, our Indian manufacturing business is geared to tap into this demand.

On the Steel Europe:

We will have a roadmap in place outlining the shape and form of the proposed restructuring of the steel business by the end of this fiscal.

So, to sum up:

The near-term outlook for the North American market is still a question mark. It depends on a lot of underlying factors. However, with multiple growth engines like aerospace, defense and JS Auto, this decline should get offset. In the medium term, we are in the midst of increasing our capacities in India to address opportunities in many new sectors, including aerospace and engineering and this will be supplemented by the inorganic route in India, where we believe we can generate significant synergistic benefits and get to markets faster than organic.

So, that's really all I wanted to say right now. And now I am happy to take your Q&A and me and my colleagues will be happy to answer your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Binay from Morgan Stanley.

Binay: Hi, team. It's a good quarter. You managed it well in this challenging environment. I will just go back to our Q2 commentary where we talked about Q2 being the toughest quarter in the year. And now, would you still maintain that the full impact of tariffs, slowdown, especially on export side is already built in, the destocking is done, or do you expect that to trickle into Q3 as well?

Amit Kalyani: I would say Q2 and Q3 should be similar. And hopefully by Q4, we should see an uptick.

Binay: And like on the export of non-auto, we have seen a nice jump sequentially. Could you talk a little bit about what drove that? Because if I look at your aerospace number, it seems largely flat quarter over quarter. So, what are the other segments that drove that?

Amit Kalyani: It's multiple sectors. It includes power gen, it includes construction, mining and aerospace.

Binay: It's also sustainable in that sense.

Amit Kalyani: Yes.

Binay: And lastly, just on gross margins, very impressive gross margins. I think it's one of the highest that we have done in recent times. Could you help us break down into factors that are driving it and how sustainable is this?

- Amit Kalyani:** We have done a lot of cost reduction work. When the quarter started and it looked really bleak, we took a lot of block shutdowns, etc. And we are trying to do more value addition in-house, improve our product mix. So, it's a combination of all these factors.
- Binay:** Great. Thanks, team. I will come back in the queue.
- Moderator:** Thank you. Our next question is from the line of Kapil Singh from Nomura. Please go ahead.
- Kapil Singh:** Hi, sir. On the defense order book, I just wanted to clarify, there was a carbine order as well. What is the size of that order?
- Amit Kalyani:** No, carbine order is not included in this.
- Kapil Singh:** What is the size of that order, sir?
- Amit Kalyani:** It's about INR 1,400 crores.
- Kapil Singh:** Okay. And what would be the execution timeline for that?
- Amit Kalyani:** First, we have to sign the order, then FOPM. So, from the time the order gets signed, I would say about 9 months to 12 months.
- Kapil Singh:** So, the entire order can be executed in 9 months to 12 months?
- Amit Kalyani:** No, Start.
- Kapil Singh:** Okay.
- Amit Kalyani:** It's executed over a 4-year period because it's 2 lakh order weapons.
- Kapil Singh:** Understood. And, sir, there was a mention in the commentary that there was some INR 24 crores tariff charges. What is it related to and where is it accounted for?
- Kedar Dixit:** This is the tariff charges, the sharing of tariff, the US tariff, what we have for our US exports.
- Kapil Singh:** Okay. And where is it accounted?
- Kedar Dixit:** This is in sales.
- Kapil Singh:** Okay. So, I mean, as things stand, is this the peak or should we expect that there will be a further impact because the tariff seems to have gone up, right?

- Amit Kalyani:** I think it's a very dynamic situation. It's difficult to comment with any amount of certainty.
- Kapil Singh:** Sure, sir.
- Amit Kalyani:** And, it's a little bit of competitive information issue. So, I don't think I want to talk about it very publicly.
- Moderator:** Thank you. The next question comes from the line of Gunjan Prithyani from Bank of America. Please go ahead.
- Gunjan Prithyani:** Hi, thanks for taking my question. Just quick clarification. On this tariff, this was only for a month or two, it was in Quarter 1, it was only INR 14 crores, but partial period, right? This is for the entire period. Is that the correct way to look at it? The entire quarter had a tariff implication?
- Amit Kalyani:** This was for the quarter. I don't want to say anything more than that.
- Gunjan Prithyani:** Okay. Got it. No worries. Just going to the defense business, now with the new order, we will be roughly at whatever INR 11,000 odd crores sort of order book. How would you think, we think about the revenue or execution timeframe of this? I am just trying to assess what sort of growth we think on the defense business in over next two years. More addition, new wins. What is the growth that we bake in from the current level?
- Amit Kalyani:** We would definitely continue to have new wins and additions. But our execution will also start because I think ATAGs execution should start in maybe about 6 to 9 months. And then that will continue ramping up. So, that's a big order. And then other orders, what I mentioned on the carbines, once the order is signed, then the FOPM and then 9 to 12 months after that, it will start.
- Gunjan Prithyani:** Sir, the INR 10,000 crore order book which is there roughly right now, it's fair to assume that 3 years sort of timeframe is a good timeframe to work with in terms of execution or it could take longer than that?
- Amit Kalyani:** No, it will take longer than that. See, realistically, in this business, from the time order is signed, you cannot expect revenues to start in less than 12 months, unless it's a revenue item, okay? If it's a revenue item, then it can start much sooner. But in capital items, it definitely will take time.
- Gunjan Prithyani:** Okay, got it. And second question is on aerospace. I mean, you do talk about a lot of wins. Can you also give us some perspective on how to think about the revenue stream there? What is it right now? How does that scale up basis the visibility you have over the next couple of years?

- Amit Kalyani:** So, aerospace for last year, for the full year was in the ballpark of about INR 250 odd crores. Okay, I think this year should be in excess of INR 350 crores. So, we are growing at that kind of rate or higher.
- Gunjan Prithyani:** And that rate should continue?
- Amit Kalyani:** That rate hopefully should continue for the next 3-4 years at least.
- Gunjan Prithyani:** Okay, got it. Thank you so much. I will join back the queue.
- Moderator:** Thank you. Our next question comes from the line of Nitin Jain from Fairvalue Equity Advisory. Please go ahead.
- Nitin Jain:** Congrats on a decent quarter. And I joined the call late. So, apologies if my questions are repetitive. So, last quarter, the management had guided that Q2 will mostly be the bottom of this down cycle for the overall business. Now, given the geopolitical situation between India and US, it is still not resolved. And we don't know when it will be resolved. So, do we still stand with that commentary or we see some more pain going forward?
- Amit Kalyani:** Well, clearly, when we spoke last time, we were more hopeful of a quicker resolution to the issue. And if you see the statements coming out of the US, it seems like there's a solution, which is very close to finalization. So, I think we would have hoped for it to have happened a little earlier. But I would expect that, hopefully, in this quarter, it should happen. And I would say Q3 will be on a similar line as Q2.
- Nitin Jain:** Right. Okay. That is helpful.
- Amit Kalyani:** As of now.
- Nitin Jain:** Okay. And can you provide some color on what kind of revenue opportunity we have in the server manufacturing business over the next 2-3 years? And what kind of margins can we expect here?
- Amit Kalyani:** It's a very small, it's a business that we are trying to evaluate, because we see that as a very large new opportunity. We see the whole data center space as a big opportunity. Server manufacturing is, I don't know if it's the end in itself or a means to an end, because we want to understand the whole product level and the system level, architecture, complexity, and understand where opportunity for us lies. So, I don't think looking at server manufacturing as a very big opportunity right now, because we are only learning this business. Okay. So, I think in six months from now to nine months from now, we will have a better idea of this business. Clearly, that's the whole area that we are interested in. But it's too early to talk about what size and scale and margins.

- Nitin Jain:** Okay, that's helpful. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Rishi Vora from Kotak Securities. Please go ahead.
- Rishi Vora:** Thank you for the opportunity and congrats on good set of numbers. My first question is, in the presentation, you have highlighted that the defence assets have been transferred to KSSL. So, was there any impact on the standalone revenues on account of this or the revenue booking remain the same?
- Kedar Dixit:** Yes, so the revenue bookings remains the same. It's only the business what we have transferred from Bharat Forge to Kalyani Strategic Systems. And so the more of the assets which have moved and all the new orders, what we will get, those would be on Kalyani Strategic Systems.
- Rishi Vora:** Understood. But the ATAGs would be a part of standalone?
- Kedar Dixit:** Yes, so currently they are. The order is on Bharat Forge Limited.
- Rishi Vora:** Understood. And if you win a carbine order, whenever, that would be a part of consol or subsidiary, basically?
- Kedar Dixit:** So, that would be still Bharat Forge.
- Rishi Vora:** Understood.
- Amit Kalyani:** The order that we have, RFPs that we have responded to prior to this, in Bharat Forge will always be executed in Bharat Forge. But KSSL is a 100% subsidiary of Bharat Forge. So, it really doesn't matter.
- Rishi Vora:** Just from an accounting perspective, nothing else. And just second question on the tariff situation, just wanted to understand a little better, because today there is a PV component tariff which we have, then there is another CV component tariff. On top of it, there is metal tariff and then there is a reciprocal tariff. So, for the US business, can you just bifurcate what percentage of business is linked to this kind of tariff? Because whenever the deal happens, we just want to understand which business or which segment does get positively impacted and where there is no impact. Any broader color if you could share?
- Amit Kalyani:** So, we can't break our tariff down in that way. You have a outlook on our overall business. You know how much of our business goes to US, how much goes to Europe. So, I think we should just leave it at that. There is one thing actually I wanted to mention, which I couldn't earlier because it hadn't been sent to the stock exchange. Just give me one minute. So, we just wanted to make one announcement

that yesterday our defense business won a order from the Navy and this business, so you can see it on the BSE website also. So, Kalyani Strategic Systems secured a business of more than 250 crores for the supply of underwater systems. This is for basically unmanned marine systems for the Navy. So, you may be aware that the underwater domain is a key focus area for us. With India's huge coastline and interesting neighborhood that we operate in, we have to protect and secure our Navy and coastal facilities. So, this is one of the orders that we have won, second order that we have won for this, but a bigger order. And this was just won yesterday, and this will be delivered from our facilities in Pune.

Rishi Vora: And when does it start an executable period for the same?

Amit Kalyani: This is within one year. All this has to be delivered within one year.

Rishi Vora: And it will start in this year?

Amit Kalyani: Yes, it has to be delivered within one year of the signing

Rishi Vora: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Pramod Amthe from InCred Capital. Please go ahead.

Pramod Amthe: Thanks for the opportunity. So, first thing is with the defense subsidiary, there is some improvement in margins to a double digit. Is it more of a product mix? How sustainable is it?

Amit Kalyani: So, look, it's a product mix issue and it will keep improving as our mainline products come on stream and revenue ramp up.

Pramod Amthe: Okay. And the second one is with regard to American Axle. Now we were through with a couple of quarters on this acquisition. In terms of broader strategy, how do you see where are the easier foods to come through? And what's the medium term plan in terms of product profile expansion and costs?

Amit Kalyani: So, building your own LCV and ICV business is a big opportunity in India, as is the SUV sector when it comes to the on-highway market. And then you also have a large off-highway and specialty axles business. So, we will focus on these two areas and grow our business.

Pramod Amthe: And are there any non-compete clauses for it in terms of exports?

Amit Kalyani: There are geographies like in North America that are non-compete, but everything is only for a period of five years.

- Pramod Amthe:** Okay. And is there a scope to improve margins in the short term, considering the overheads and all? Or do you feel that not?
- Amit Kalyani:** Yes, absolutely. We are very focused on that.
- Pramod Amthe:** Okay. Are there any set rules you want to play over the next 3-4 years? For instance, first margins, then product mix, how to look at this entity where you will see 3-5 years down the line?
- Amit Kalyani:** We are going to play Horizon 1 and we have a separate team for Horizon 2. So, Horizon 1 team will focus on existing products, existing markets, and improvement in financials for those sectors. And then the new team will also focus on Horizon 2.
- Pramod Amthe:** Okay. And any broader topline, bottomline, CAGR, you will be looking at?
- Amit Kalyani:** Let's talk about it in six months, but clearly, we have an aggressive growth plan.
- Pramod Amthe:** Sure. Thanks Amit and all the best.
- Kedar Dixit:** And Pramod, just one correction. This was the first quarter of consolidation.
- Pramod Amthe:** Okay. For the KSSL?
- Kedar Dixit:** For American Axle India business.
- Pramod Amthe:** Okay. Yes, first quarter. Okay. Understood. Thank you.
- Moderator:** Thank you. The next question comes from the line of Raghunandhan N. L. from Nuvama Research. Please go ahead.
- Raghunandhan N.L.:** Thank you, sir, for the opportunity. Congratulations on strong numbers. Firstly, any update you can provide on Europe restructuring? Have your customers approved your initiative?
- Amit Kalyani:** Whatever we had to talk about, we have already mentioned in the update. And I already mentioned that before. I don't have any more comments.
- Raghunandhan N.L.:** Got it, sir. Secondly, post the GST cuts, how do you see the India MHCV production outlook?
- Subodh Tandale:** Well, as you have seen, the sales of Pass-Cars and all that have been strong, but also due to the festive season. So, now that the festive season is over, we will need to monitor it for another month or two. Hopefully, the momentum should continue is what we think.

- Raghunandhan N.L.:** And on the MHCV side, sir?
- Subodh Tandale:** MHCV, the broader expectation is it should remain flat. Not a very significant growth or degrowth.
- Raghunandhan N.L.:** Got it, sir. And lastly, on BFISL, there has been a growth. There is also margin expansion to 14%. How do you see the growth ahead in terms of order book?
- Kedar Dixit:** What are you talking about?
- Raghunandhan N.L.:** BFISL, which is JS Autocast
- Amit Kalyani:** JS Autocast, we are already seeing improvement in margins. And we are quite bullish that we will continue to improve our margins, improve our topline and product mix as well.
- Raghunandhan N.L.:** Got it, sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Mohit Jain from Tara Capital Partners. Please go ahead.
- Mohit Jain:** Hi. Thanks for the opportunity. Just wanted to ask the fund raise that you're doing that would be used for inorganic as well as organic purposes? If we do an inorganic sort of a thing, would it be related to the current lines of businesses or can it be in a completely different area?
- Amit Kalyani:** Well, right now it's in areas that are very related to what we are doing and areas where we see opportunities for growth in India.
- Mohit Jain:** Okay. And I mean, are we comfortable doing, let's say, only some bolt-on sort of an acquisition or are we comfortable doing some large ticket acquisition as well?
- Amit Kalyani:** Well, it really depends on the opportunity and the circumstance. But, I think we are trying to define the animal without knowing what it looks like.
- Mohit Jain:** Okay, fair enough. Thank you.
- Moderator:** Thank you. Our next question is a follow-up from Binay from Morgan Stanley. Please go ahead.
- Binay:** Hi, team. When I look at defense revenues for next year, there should be a very sharp scale-up, right? Like your ATAG, you are saying the scale-up has not started, the carbine order comes in and then this marine order thing. So, any revenue number that you would sort of see, like basically FY'27 defense revenues?

- Amit Kalyani:** So, it would be better than this year for sure.
- Binay:** So, but how many years shall we build the ATAG order for?
- Amit Kalyani:** It will start execution from calendar year '26.
- Binay:** And over how many years?
- Amit Kalyani:** At least it will take about three years.
- Binay:** Right. So, I think in that sense, the scale-up should be quite sharp with that for you in the coming years. Great, team. Thanks. I will come back. That's all from my side.
- Moderator:** Thank you. ask a question, ladies and gentlemen, you may press star and one. Our next question is from the line of Rakesh Roy from Boring AMC (Omkara Capital). Please go ahead.
- Rakesh Roy:** Hi, sir. My first question regarding, sir, can you give me a scope of business for our AMCA project?
- Amit Kalyani:** That's like Horizon-3. That's still far away. So, let me explain in a maybe in a very general way. India wants to be self-sufficient in many key areas. So, one of the areas is as much as possible in aviation, especially for defense. Right now, we have the capability of certain systems and components. We definitely have capabilities on the arms and ammunition that go into the aircraft. But on aircraft manufacturing at a component level, system level, subsystem level, India does not have any established large-scale players. Bharat Forge is already a supplier of rotating components to jet engines, high-temperature components, structural components, and landing gears. So, these are all the kind of capabilities that we will leverage to create an opportunity for ourselves in the AMCA program along with our partners.
- Rakesh Roy:** My next question regarding, sir, recently some Bharat Forge had pact with UK based company for UAV. So, can you light on this one, sir?
- Amit Kalyani:** Not at all in the public domain. See, UAVs are a very large opportunity. Okay. UAVs will go from, birds that cost a few thousand dollars to birds that cost tens of millions of dollars. So, we are looking at opportunities across the spectrum, because some of these opportunities and some of these products will also work with our existing products. So, that's where we see a lot of opportunities.
- Moderator:** Thank you. The next question is from the line of Disha Shah, an individual investor. Please go ahead.
- Disha Shah:** Thank you for the opportunity, sir. So, I have two questions. One is regarding the order book. So, regarding the defense order book, especially, you said earlier that it will take longer than three years

for us to materialize, for that to materialize into revenue. So, further to that, my question is, what would be the...

Amit Kalyani: No, I didn't say it will take three years. No, I am sorry. I didn't say it will take three years. No, that's not what I said. I said ATAG order will get executed in three years from the time the delivery start.

Disha Shah: Okay. So, how long will it take for that order book to convert? What is the conversion ratio or what is the conversion time frame to recognize it as revenue?

Amit Kalyani: I don't understand your question, quite frankly. As I mentioned, there is a process called FOPM that has to take place, after which within 6 to 9 months, we will start deliveries. First year, we will deliver maybe about 15 or so guns, after which we should increase our rate of delivery. And in all, we have to deliver 187 guns. So, I think we should deliver 187 in something like four years.

Disha Shah: Okay. And to that, the next question would be, what would be the key challenges or dependencies in converting the defense pipeline into deliveries? Like if it might be any? Just to shed some light on that?

Amit Kalyani: None. There should be monetary allocation, that's all.

Disha Shah: Okay, perfect. I have one more question. So, what is the expected margin trajectory, especially as the product mix shift towards defense and industrial verticals?

Amit Kalyani: It's very difficult to give that because the product mix within defense also is not fixed. So, I think our goal is going to be to balance return on capital employed, cash flow, topline, bottomline, on an overall basis.

Moderator: Thank you. We have no further questions, ladies and gentlemen. I now hand the conference over to Mr. Amit Kalyani for closing comments. Over to you, sir.

Amit Kalyani: Thank you very much, ladies and gentlemen, for your time and interest in our Company and your encouragement. I look forward to our continued dialogue and association. If anybody has any specific questions or clarifications, you may get in touch with investor relations. Thank you very much and have a nice evening.

Moderator: Thank you. On behalf of Bharat Forge Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.