

# BHARAT FORGE

May 11, 2026

To

**BSE Limited**  
**Corporate Relations Department**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai 400 001  
Maharashtra, India  
**Scrip Code:** 500493

**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  
**Symbol:** BHARATFORG

**Sub.:** **Transcript of the Analyst / Investor Conference Call on Audited Financial Results (Standalone and Consolidated) for the Quarter and Financial Year ended March 31, 2026.**

**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 Thursday, May 07, 2026, after announcement of the Audited Financial Results (Standalone and Consolidated) for the Quarter and financial year ended March 31, 2026.

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**



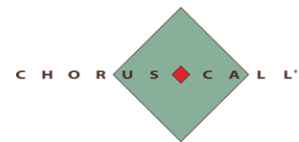
**KALYANI**

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“Bharat Forge Limited  
Q4 & FY '26 Earnings Conference Call”  
May 07, 2026



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

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY '26 Earnings Conference Call hosted by Bharat Forge Limited. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinion and expectation of the company as on date of this call. These statements are not guarantee of future performance and involve risks uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone 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:** Yes. Good afternoon, ladies and gentlemen, and thank you for joining our conference call today. As a standard, I will introduce the people with me and then our group -- our CFO, Kedar Dixit, will take you through the numbers. So, I have with me a fellow Board member and Head of the Components business, Mr. Subodh Tandale. I have Kedar Dixit, our CFO; I have Raj Gopal, our Head of Investor Relations and M&A and Chinmay and Sameer. So over to you, Mr. Kedar.

**Kedar Dixit:** Thank you. Good afternoon, everyone. I'll just take you through highlights of the quarter and for the year ended 31st March 2026. We'll start with the performance of consolidated results, given that number of initiatives and investments we have made in new verticals as well as in the Indian manufacturing space. We ended the year with revenues of INR 16,812 crores and EBITDA of INR 2,921 crores, which was a growth of 11% in revenues and about 6% in EBITDA. Consolidated net debt-to-equity stood at 0.41x as of March 2026.

During the year, the company also secured new businesses for INR 4,814 crores across all key businesses, which includes the traditional business of INR 1,210 crores, Defence INR 2,816 crores. JSA which is our casting unit, INR 292 crores and K-Drive, which is a recent acquisition is about INR 500 crores.

Talking about the stand-alone performance. The stand-alone business reported a revenue of INR 8,396 crores, which was lower by about 5% year-over-year. This was mainly on account of regulatory uncertainties in North America and demand challenges in U.S. CV market, which has impacted the performance.

But as we speak, we are looking at good growth in this sector. Stand-alone EBITDA for FY '26 was at INR 2,312 crores, translating EBITDA margin of 27.5%, PBT before exceptional items was INR 1,826 crores, which was about 8% lower Y-o-Y.

Talking about the quarterly performance, stand-alone revenue for the quarter was up by 8.5% quarter-over-quarter at INR 2,260 crores. The quarter-on-quarter improvement in performance was driven by all around recovery in exports and strong performance in domestic automotive segment.

Q4 was up at 7.2% sequentially at INR 610 crores, translating in EBITDA margin of 27%. This also includes a onetime cost retrospective cost by MSEDCL, which had charges retrospectively which had charged retrospectively sub-cess on the captive power, which is about INR11 crores. Without that, the margin would have been closer to 28%. PBT before exceptional items was about INR486 crores.

During the quarter, company has absorbed tariff impact of about INR 12 crore. Balance sheet continues to remain robust with net debt-to-equity at 0.18x for the year. Talking about the overseas business, we have initiated restructuring of our German steel business, which is CDP Bharat Forge.

We expect to complete the process by end of next calendar year. For other businesses in Europe, we are simultaneously pursuing various business opportunities to leverage the scaled-down manufacturing footprint. Performance-wise EU operations registered revenue of INR 3,865 crores and EBITDA of INR 151 crores, resulting in EBITDA margin of 4% while the U.S. operations recorded a revenue of INR 1,534 crores, EBITDA of INR54 crores translating to EBITDA margin of 3.5%.

Now I will hand over to Mr. Amit sir for his comments.

**Amit Kalyani:**

So good afternoon, ladies and gentlemen. 2026 was a very interesting year. It had its own set of challenges, yet I think our team rose up to the challenges and really performed exceptionally well. It also was a year with a lot of uncertainty, especially to do with tariffs, which, to some extent, persists. And then we ended up towards the end of the year with a full-blown war taking place in the Middle East, which luckily enough seems to have subsided right now. And if everything goes well, it should really settle down and get resolved.

I think this has had impacts and uncertainties on markets, imports, transportation and many factors that affect our business. Given that background, I think we have weathered the storm well and ended on a stronger note with very good momentum going into the new year.

I want to especially commend our sales and marketing, customer-facing teams, our supply chain teams, our operating teams and all the people in our company for really giving it their all and making this year, let's say, painless for our customers.

Driven by a combination of new business initiatives and M&A over the past 3 years, BFL is now an engineering conglomerate entrenched across processes, customers and segments. This is an example of how we transform every 5, 6 years. Our balance sheet continues to remain one of our key strengths with a strong net cash position at a stand-alone level.

The aerospace business, which we have been talking about for quite some time, I'm very happy to report is now a meaningful part of our industrial exports and is now almost 26% of the last quarter's non-Auto exports. It is the second largest contributor to our industrial exports now.

This segment has seen multiple new business wins, both across jet engine structure, landing systems from global OEMs. We were recently selected by an aerospace OEM as their first supplier from India for any critical components.

Our acquisition of K Drive is making significant progress and has also won a lot of new business from OEMs, which will start panning out from this year. On the defense front, our business is spread well beyond Artillery and vehicles to include small arms, naval solutions and a wide variety of unmanned platforms, both sea and air.

The recent order wins are a testament to the progress made here with an order book of close to INR11,000 crores, the next 3, 4 years, we'll see stable revenue accretion in these sectors. In parallel, we are also focusing on expanding our product portfolio and participating in new programs to build a robust and scalable revenue pipeline over the medium to long term.

I particularly see new opportunities in Europe for our defense business. In castings, despite challenges in the export market, especially in the wind sector because of the slowdown in wind infrastructure build-up, we have seen JSA continue to grow and increase both revenue and profitability going forward.

And we are now expanding our customer base to cross-fertilize and to cross-sell these products into our existing customer base in the automotive and commercial vehicle sector. The recent capital raise from Premji Invest will help us drive capacity expansion and make this business an independent driver for our growth and expansion.

This week, we acquired a 30% stake in Fortuna Engineering, which is a company based in Nashik. This has a strong and experienced management team led by the promoters in machining. And it strategically is a very complementary fit to us because they do machining of connecting rods and some other high-value components, which are all complementary to what Bharat Forge does.

And in fact, it allows us to supply into them the forged components that they can machine. The company has a strong balance sheet and a net cash position. In e-mobility, as I mentioned in the television interview earlier, we have decided to take a write-off of those investments where we don't see any immediate revenue and business ramp up, because it doesn't make sense to spend time and effort on those areas which are not going to give us returns immediately.

As you are aware, globally, the electric vehicle adoption has taken a different trajectory as compared to what was originally envisaged. Additionally, our overseas business will also see a restructuring with our steel forging business undergoing a restructuring as we have explained earlier.

We also intend to evaluate additional business opportunities in the automotive sector to leverage our market position our customers and our footprint globally. If we look at 2027 as a whole, I think it's going to be a strong year for our India manufacturing operations, as the growth impetus across sectors and the kind of strategies we have put in place will bring in higher execution and growth.

Barring any further geopolitical crisis and their impact on demand, we should see a close to 25% growth in our India business. Our ongoing capex programs across forging, casting and products platform will translate into INR800 crores to INR850 crores capex in a 15, 18-month period. We

continue to evaluate potential M&A opportunities in India to address opportunities in high-growth sectors which may be complementary and a good fit to our existing business.

Thank you. I will now be happy to -- my team and I will be happy to take your questions.

**Moderator:** Thank you so much, sir. Ladies and gentlemen, we will now begin with the question and answer session. Our first question comes from the line of Kapil Singh from Nomura. Please go ahead.

**Kapil Singh:** Good afternoon, sir. Congratulations on a good performance for the quarter. Firstly, I had a question on your target growth for FY '27. Could you give some more color and break it down between different segments, broadly, what kind of growth you expect in defense, U.S. exports for CVs, non-auto and domestic?

**Amit Kalyani:** Yes. I'm not going to break it up into that much detail. Let me just tell you, we will see the higher growth coming from our aerospace business and then defense business and the automotive business. When I say automotive, I mean the components business, which includes both automotive and industrial.

**Kapil Singh:** Okay. And sir, what is the outlook for domestic and global CV?

**Amit Kalyani:** Outlook is strong for both. U.S. is very strong and so is India.

**Kapil Singh:** Okay. Sir, you also mentioned that we have acquired Fortuna. Could you give us some color in terms of revenues? Where does it stand? And what is the potential here?

**Amit Kalyani:** Yes. So we have acquired 30% for INR 130 crores. The company has a revenue of about INR380 crores, and they have a net cash position of about INR20-odd crores. And they are on a path to increase multiple x by setting up new machining lines and also we will open doors to them for our customers because they don't make the very large parts that we make. So large connecting rods is a big opportunity to supply globally.

**Kapil Singh:** Okay. And will it be safe to say that the growth target also includes inorganic opportunities like this?

**Amit Kalyani:** So we don't currently have any other inorganic, which is ongoing. But as we have mentioned, we will look at opportunities within India that make sense for us in the automotive and aerospace. Yes.

**Kapil Singh:** Just one last question. You mentioned that the electrification has taken a different path from what we were originally anticipating. Could you elaborate a little bit?

**Amit Kalyani:** Yes. About 5 years ago, there was a very strong focus on electrification across the Board, including commercial vehicles, including heavy commercial vehicles. However, it is definitely not seeing the same kind of trajectory as what was anticipated. Secondly, even the large European OEMs are not as successful in the passenger car sector on electrification.

As you have seen, both Porsche, Ford, many companies have had massive write-offs because they have not been able to build a platform that has been as competitive as those that the Chinese

offer. So there has definitely been a recalibration of everybody's EV strategy globally except the Chinese, of course.

**Kapil Singh:** Okay. Thank you, sir. That's all from my side. Best wishes.

**Moderator:** Thank you. Our next question comes from the line of Binay Singh from Morgan Stanley. Please go ahead.

**Binay Singh:** Congratulations on good set of numbers. My first question is on your restructuring. You highlighted that it will conclude by end of CY '27. So could you share your thoughts on that? And in the intermittent phase, which is this year and next year, will the losses be at similar level? Like this year, you had almost a INR300 crores loss also on the Europe and U.S. operations. So I'm happy to hear your comments on that.

**Amit Kalyani:** So the restructuring of CDP has started. This is a 15 to 18-month process where we have to meet the customer requirements and also do a solvent liquidation of the company. We anticipate the losses will reduce because the CDP losses are not going to be there. Whatever is there will be part of the restructuring. So hopefully, for the year that goes by, we will have a better performance from our overseas subsidiaries.

**Binay Singh:** Thanks for that. Just on aerospace, what exactly was the number for FY '26 for you?

**Amit Kalyani:** It was about INR400 crores.

**Binay Singh:** And lastly, just on defense. In the last call, we talked about revenue guidance on defense of 30% to 40%. But just looking at the order book, what are the key sort of milestones to watch out for? You've talked about opportunity in Europe and all, but any key things that we should expect or milestones to see this year?

**Amit Kalyani:** So the first thing that you should look at is the fact that the ATAGS FOPM will happen, and then the ATAGS production will start and ramp up. The second is the CQB carbine also production will happen. So those are the two big milestones that will move the needle starting this year, and then it will continue next year and year after next as well.

**Binay Singh:** Anything on the order backlog, any large projects that you are expecting?

**Amit Kalyani:** This will start in the second half of this year. Please remember.

**Binay Singh:** Yes, yes. And anything on the order win, any incremental order book?

**Amit Kalyani:** So we have, as Kedar mentioned in his initial talk, we have won new orders in defense as well in the space of naval and drone systems. And we have lots of other new products that we have both developed, developing and fielding that go into a variety of platforms, including Navy. And hopefully, those should all now start the order -- I mean, the bids should open and then we should know where we stand.

**Binay Singh:** Great, great. Thank you.

- Moderator:** Thank you. Our next question comes from the line of Gunjan Prithyani from Bank of America. Please go ahead.
- Gunjan Prithyani:** Thanks for taking my question. Just a couple of clarifications on the aerospace and the defense. In aerospace, you mentioned INR400 crores for full year and you also mentioned 26% of exports in quarter 4, which essentially means exit run rate of almost INR300 crores. So in fact, the number we sort of worked through for the next year is that it can be INR1,200 crores?
- Amit Kalyani:** My point is that industrial exports for Q4, aerospace was about 26% of the overall export from industries. So in any case, if you look at INR400 crores as the business we did for the whole year, we will see a strong double-digit growth higher than the overall growth that we are anticipating as a company, significantly higher.
- Gunjan Prithyani:** Okay. Got it. Was it similar to what we're saying for defense as well, that 30%, 40% sort of growth. So these businesses sort of log that number?
- Amit Kalyani:** As I mentioned earlier, the highest growth will be aerospace, then defense and then the components business. And in components, I include all the components that we make.
- Gunjan Prithyani:** Okay. Got it. And again the clarification on the sub piece that you mentioned, the restructuring is initiated, do the losses from this German subsidiary completely go away from the operating number because restructuring has begun?
- Amit Kalyani:** It will go away as it gets wound up.
- Gunjan Prithyani:** Which is basically end of next calendar year?
- Amit Kalyani:** Yes.
- Gunjan Prithyani:** Okay. Got it. Now just moving to the data centers which was mentioned in India, is there something that you just want to give us a sense on what are we doing there?
- Amit Kalyani:** I don't want to talk about it, but suffice to say that data centers have a large amount of manufactured input that goes into them in the auxiliaries, in every element of managing, powering and supporting our data centers. And those are all areas where we supply products.
- Gunjan Prithyani:** Okay. Got it. And last question on the CV business, both in class 8 as well as in India. I think generally, there is a concern as energy prices, particularly as we've already seen them move up in the U.S. How do we think about, how confident are we of the growth outlook, both Class 8 as well as the India CV?
- Amit Kalyani:** My colleague, Subodh, will answer.
- Subodh Tandale:** Currently, that is a common problem everywhere in the world, the energy prices going up. But you have to also take into consideration that there is an aging fleet in the US and they have a certain calculation for that in terms of what they have to replace and when, and from that perspective, the demand is expected to remain strong for the rest of the year for sure. There is

also an emission change coming in early next year. So as a combination of all this, there is a strong hope that the demand in the US will remain strong.

And as far as India is concerned, yes there is a there is a increase but there is also overall increase of economic activity. So from that perspective, the energy shock is there but it is going to get absorbed in the system by passing it along the whole value chain. So we expect that there should be reasonably stable demand.

- Gunjan Prithyani:** The existing like pipeline that you see on the..
- Moderator:** Gunjan, I'm sorry to interrupt you, but you may please rejoin the queue for more questions.
- Gunjan Prithyani:** All right. Thank you so much.
- Moderator:** Our next question comes from the line of Arvind Sharma from Citibank. Please go ahead.
- Arvind Sharma:** Hi, good afternoon, sir. Thank you for taking my question. On the 25% growth target for the India operations, would it be possible to share how much would be in the stand-alone business and how much do you expect in the Indian subsidiaries?
- Amit Kalyani:** I'm not going to break it down into all that. That gives too much information. Let's just limit to say that it's going to be at an overall India level, manufactured in India
- Arvind Sharma:** It will be the combined stand-alone as well as the Indian subsidiaries?
- Amit Kalyani:** Yes. Correct.
- Arvind Sharma:** Sure, sir. Sir, also on the orders that you alluded to, almost INR4,800 crores across the defense orders of INR2,800 crores, what would be the typical gestation period of these new orders? One, just from our perspective, when should we expect the revenue start accruing? Is this something that you can share?
- Amit Kalyani:** Actually, we talked about this a little while earlier that if you look at the ATAGS order, that will start revenue in the next half of the year, same with the carbine. And some of the data center orders will also start slowly from towards the third quarter, fourth quarter and then really ramp up next year. But everything will start ramping up from this year. I mean product development will start from this year and ramp up next year.
- Arvind Sharma:** And sir, if you could just comment on the commodity costs. Anything you like to stress upon?
- Amit Kalyani:** Right now, the biggest issue on cost is energy cost, which has gone up quite substantially. For elements that depend very heavily on energy, those have gone up. But that we are negotiating with our customers to get compensation.
- Moderator:** Our next question comes from the line of Pramod Amthe from Incred Capital.

- Pramod Amthe:** So continuing on the previous question in terms of cost, do you see the worst is behind us or its still a very volatile environment? And also similarly in terms of supply chain challenges, how are you seeing it, please?
- Amit Kalyani:** You want to take it a day at a time because we are living in a time where what's happening in the world depends on which news channel you watch. So it's not really the old rules of the game anymore. Every hour, every minute, things are changing, but we're doing the best we can as a country and as an organization also. So I don't know if I can say the worst is behind us.
- Pramod Amthe:** Okay. And the second one is with regard to the recent acquisition for the machining facility. You already have a machining facility in-house, and this seems to be like a facility which you acquired. What's the reason to do it? And how do you see make versus buy in such firm decisions? Is there any worthwhile time saving you are doing here or capability addition?
- Amit Kalyani:** Sorry, share that again.
- Pramod Amthe:** No, I said you have bought this entity?
- Amit Kalyani:** Yes. Go ahead Subodh.
- Subodh Tandale:** So Pramod the reason of acquiring this entity is, it is very synergistic to what we do today. And we also cannot do everything at once. We need the bandwidth to be able to grow in a quantum manner. We will also be addressing many segments that we have not addressed in India so far as a part of this resource that we have. Not just in India, for that matter, even outside India. And we have actually already started getting a lot of positive interest from our existing customers to be able to that. So the whole idea is growth related more than anything else.
- Pramod Amthe:** And you mentioned topline and...
- Management:** I will add to one thing Subodh's add. It's not just growth it is fast growth.
- Pramod Amthe:** Okay. And what type of margins does it operate in? EBITDA margins or EBIT margin that business?
- Amit Kalyani:** It's in the mid-teens.
- Moderator:** Our next question comes from the line of Nitin Arora from Axis Mutual Fund.
- Nitin Arora:** Just on the explosive side -- on the defense side, how are you thinking about this business because there is a lot of demand globally as well. So when do we see this capex happening and when do you see the scale start becoming bigger for you? Just on the direction side?
- Amit Kalyani:** So first of all, we don't have an explosives -- right now, but as we have mentioned and we are planning to set up a facility in. And the facility we are planning to come up in Andhra Pradesh. And we are going to do some ground-breaking this month.
- Nitin Arora:** So FY28 is where we see pretty heavy -- capex?

- Amit Kalyani:** Yes. So let me just caveat that by saying that you need hell of lot of approvals for setting up such a facility. And after setting up a facility, we can start production. So our goal is to breakdown this month and start the preparatory work. And then once we get our approvals, start construction by the end of this year. And that should be ready in less than 15 months. And then another 6 to 8 months on then, we should be able to start pilot production. We are talking about roughly 24 months.
- Nitin Arora:** Thank you very much.
- Moderator:** Thank you. Our next question comes from the line of Sonal Gupta from HSBC AMC. Please go ahead.
- Sonal Gupta:** Yes, hi. Good afternoon and thanks for taking my question. Amit, very heartening to see you're aggressively moving and you've done a lot of acquisitions this year in India, I mean like with the K Drive as well as Fortuna. So in that context, I just wanted to understand the capital raise in JSA, why are we doing that? I mean that's something that we can internally fund as well...
- Amit Kalyani:** No, that was a minor thing actually, and honestly, we see a large opportunity in JSA. We wanted to make it an independent business and grow it because we see that the business could become a multi-thousand crore business per year. If you see the biggest ingredients in that industry are energy and raw material, and both those factors are not available in required quantity or price in Europe. So we see a large opportunity to move that manufacturing into India. So we want to expand that fast and we want to do it with its own momentum. That was the reason to do it. And, I think there are other synergies that could come out of that relationship as well.
- Sonal Gupta:** So you're saying that by doing this external raise, they can grow faster than what they would have done internally?
- Amit Kalyani:** Yes, I also want to build a new model where companies that we buy which are like that, become more focused on their own growth and become self-sufficient. Yes, we will support them on whatever customer connect etc. that we can do, but I think they need to drive their growth more aggressively and not get limited by just what we can provide them.
- Sonal Gupta:** Okay. And sir, second question I had was on the ATAGS. I mean, what's your capacity? Have you now ramped up to when do we see this really...
- Amit Kalyani:** We talked about this, that in the second half of this year, we will see the testing getting completed and then hopefully, production and supplies to start.
- Sonal Gupta:** I think earlier you mentioned that initial capacity is like five guns a month. Is that what you're looking at...
- Amit Kalyani:** Yes. That's what we can do. Yes.
- Sonal Gupta:** Okay. Great. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Ronak Singhvi from NAFA Asset Managers. Please go ahead.

- Ronak Singhvi:** Hello. Thank you for taking my questions. Am I audible?
- Amit Kalyani:** Yes, yes. Please go ahead.
- Ronak Singhvi:** Yes. So I want to be specific about marginal shares 155mm arteritis. So what is the current capacity?
- Amit Kalyani:** I'm not going to discuss that. Let's just say that we have adequate capacity and we are producing a large number of them.
- Ronak Singhvi:** Okay. So, like can you just say further, you are going into explosives or testing guidance or just the empty shells?
- Amit Kalyani:** Again, I've already answered this. Just before when Mr. Arora asked a question. We are definitely going to get into explosives.
- Ronak Singhvi:** Okay, thank you.
- Moderator:** Thank you. Our next question comes from the line of Nitin Jain from Fair Value Equity Advisory. Please go ahead.
- Nitin Jain:** Good afternoon and congratulations on a good quarter. So my first question is on the aerospace business. If you could provide some outlook for the business, where do we see it in the next 3 years? And what are the kind of margins we have here? Like are they above company average or in line with the company margin?
- Amit Kalyani:** I would say the margins are above company average. And if you remember, Mr. Jain, that over the last 3 years, we had said the first goal is to get to INR500, INR600 crores, INR700 crores and then get to INR1,000 crores. I think I think that we are on that trajectory. And sooner than later, we should cross that and then be on a very fast growth path after that.
- Getting to the first INR1,000 crores is hard. After that, it becomes -- you create lines of business to create product strategies, and then multiple products can become INR400 crores, INR500 crores each, maybe even more. So we're on that path.
- Nitin Jain:** Okay. So safe to assume that we are targeting around INR1,000 crores in the next 3 years or so?
- Amit Kalyani:** Easily. Easily. I would say even more than that.
- Nitin Jain:** Okay, great. Also, can you provide some color on the kind of revenue opportunity we are targeting in the server manufacturing business in the next...?
- Amit Kalyani:** No, no, no. We are not looking at that business aggressively. We were trying to look at that business to understand the data center market. And I think we've understood what we want to do and what we don't want to do. There are some specialty opportunities where there are certain critical clients who want domestic-made servers made by an Indian company.

Those we will look at, but those are not very large opportunities at this point in time. They are more a strategic opportunity and it's an opportunity to get into the whole value chain of the data center. So that's what we're looking at it as. I wouldn't look at it as a getting into electronics in a big way kind of thing.

- Nitin Jain:** Okay. That's quite helpful. Thank you and congratulations.
- Amit Kalyani:** Thanks.
- Moderator:** Thank you. Our next question comes from the line of Mitesh from Aditya. Please go ahead.
- Mitesh:** Yes, I have a question regarding the Orissa project.
- Amit Kalyani:** Sorry, which company are you with?
- Mitesh:** Aditya Equity Investments. Sorry, I forgot to write the full name. Hello?
- Amit Kalyani:** Yes, Yes, go ahead, please go ahead.
- Mitesh:** Yes, I had a question regarding the Orissa project. So when is the environmental clearance expected for the project? And when do you expect to break ground for the project?
- Amit Kalyani:** We're waiting still. So I don't know, maybe another 2, 3, 4 months.
- Mitesh:** Okay. Thank you. Thank you.
- Amit Kalyani:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Het Raichura from Ananya Research. Please go ahead.
- Het Raichura:** Hello sir. I just wanted to understand the gross block trajectory...
- Moderator:** I am sorry sir, but your voice is not audible.
- Het Raichura:** Yes sir. So I just want to understand the gross block trajectory and the targets for the next 3, 5 years particularly...
- Amit Kalyani:** Maybe you can take this offline. We're not able to hear you. I think you should call our team separately and talk to them. We're not able to hear you at all.
- Het Raichura:** All right. Okay.
- Amit Kalyani:** Hello? Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rakesh Roy from Boring AMC. Please go ahead.
- Rakesh Roy:** Yes, hi sir. My first question is, sir, can you give me the full year defense revenue for FY26?

- Amit Kalyani:** INR1,300 crores. INR1,300 -- sorry, full year revenue for defense, sorry, INR1,562 crores.
- Rakesh Roy:** Right sir, right sir. And sir my next question, sir, our recently army issue an RFI for bulletproof troop carrier. Are we bidding for this?
- Amit Kalyani:** We are bidding for lots of new programs with the army.
- Rakesh Roy:** Okay. And can you highlight on **the recent** project is launch, one product is launch in defense especially Vikram VT-21 with DRDO and Tata, how is the market size and where we are currently?
- Amit Kalyani:** Sorry, sorry.
- Management:** Vikram.
- Rakesh Roy:** Vikram VT Tata.
- Amit Kalyani:** Yes, we launched our wheeled platform and we also had our tracked platform there.
- Rakesh Roy:** Right. And how is the market...
- Amit Kalyani:** What is the **[inaudible 0:39:08]** question?
- Rakesh Roy:** My question is sir how is the market size for this product especially for army?
- Amit Kalyani:** Replacing the old BMPs that the Indian Army has huge numbers of.
- Rakesh Roy:** Okay. Any idea how much number for domestic market and for export market from your point of view?
- Amit Kalyani:** Probably the market is in tens of thousands.
- Rakesh Roy:** Great sir. Great sir. Thank you, sir. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.
- Mahesh Bendre:** Hi, sir. Thank you so much for the opportunity. Sir, what kind of capital expenditure are we looking for next 3 years?
- Amit Kalyani:** I'm telling you right now what we have ongoing between last year this year and -- between last year and this year will be about INR800 crores.
- Mahesh Bendre:** Okay. Sure. And sir, since the defense business in bigger -- defense business is becoming bigger and with various dimensions. Any plans of hiving off this business, maybe creating a new entity or bringing...
- Amit Kalyani:** As you know, we've already spun it off into KSSL.

- Mahesh Bendre:** Right, right. But in terms of creating value for investors, are there any plans?
- Amit Kalyani:** I hope we are creating value.
- Mahesh Bendre:** In terms of listing this?
- Amit Kalyani:** That we will look at separately.
- Mahesh Bendre:** Okay, sure.
- Amit Kalyani:** Thank you.
- Mahesh Bendre:** Thank you so much. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Nitin Jain from Fairvalue Equity Advisory. Please go ahead.
- Nitin Jain:** Yes, thank you for the follow-up opportunity. My question is given the importance of drones in modern warfare, like we have seen in Operation Sindoor and other operations. What kind of presence do we have in drone manufacturing?
- Amit Kalyani:** We are already making drones for land, sea, and air. I would say that under-sea and the sea part we are very strong in, the air part we are getting stronger, the land we need to do more work. We've already won orders in both the air and the sea domain.
- Nitin Jain:** Right. Would it be possible to provide any percentage in terms of our defense business?
- Amit Kalyani:** No, not right now.
- Nitin Jain:** Okay. Okay. Thank you. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Amit Kalyani for closing comments. Thank you and over to you, sir.
- Amit Kalyani:** I think, if there are any last questions, 1 or 2, let's finish them, and then we can close. I just saw that there were two names.
- Moderator:** Sure, sir.
- Amit Kalyani:** Let's just do these last two.
- Moderator:** Sure, sure. Our next question comes from the line of Akshay Karwa from Aviva India. Please go ahead.
- Akshay Karwa:** Hi Amit sir. Good afternoon. [Inaudible 0:42:15].
- Amit Kalyani:** Sorry, Akshay, we can't hear you.
- Akshay Karwa:** Am I audible now?

- Amit Kalyani:** Go ahead.
- Akshay Karwa:** Sir, my question pertains to manufacturing of jet engines. So with the recent companies coming -- with private companies coming into foray for this, how long do you think would be ready to create our own localized jet engine in the near-term?
- Amit Kalyani:** So are you talking about a engine for a manned or unmanned platform?
- Akshay Karwa:** Manned platform, sir.
- Amit Kalyani:** Manned platform will take quite some time. I would say not less than 5 to 10 years. But unmanned can happen very, very fast. Already we are supplying small jet engines for number of drones, and we are now going to be making bigger ones also for unmanned systems. And these are completely made in India in-house. They are designed, engineered, and manufactured. Range of 40 kilos to 150 kilos of thrust.
- Akshay Karwa:** And my question revolves around the recent AMCA **program**, the AMCA engines. So regarding that as you said 5 to 10 years, so which of the companies would you think would be able to get this order through now?
- Amit Kalyani:** So for AMCA, look, the whole program is going to be a down-selection first of the consortium, and then first prototype in 2032. Okay? So it's still a longways away and initially AMCA will be powered by imported engine.
- Akshay Karwa:** Understood, sir. Thank you, sir. That's all from my side and wish you all the best, sir.
- Amit Kalyani:** Thanks.
- Moderator:** Thank you. Our last question comes from the line of Radha from Motilal Oswal. Please go ahead.
- Radha:** Hi, sir. Thank you for the opportunity. So my question was on K-mobility business. Can you give us some insights on how the growth will be driven in this business beyond the normal CV industry growth? Will it be exports and or any new customers or will it be from hybrids?
- Amit Kalyani:** A good question, Radha. We are looking at the specialty axles business and the LCV and SUV axle business, including EV, for those. Both ICE and EV, so that is what's going to drive the growth there.
- Radha:** Can this take the business to the 3X in the medium term? Is there this kind of scalability opportunity?
- Amit Kalyani:** Yes, there is. In 2X in, next 3 to 4 years is definitely possible. And with -- if we are a little more lucky and we get into some specialty axles, it could be even better.
- Radha:** And what are the peak margins that can be made in this business?
- Amit Kalyani:** I think it's too early to say, but our goal is a to do mid-teens margin in this business.

- Radha:** All right, sir. The second last question is how is the demand scenario in North America and Europe passenger car segment and what is driving the demand here?
- Amit Kalyani:** U.S. is strong. Europe is -- Subodh is [inaudible 0:45:40].
- Subodh Tandale:** The demand in the U.S. is stable. When I say stable, last year's total the market size was about 16 million vehicles to 16.1. It's more or less going to be the same forecast for this year. Demand is reasonably okay. They don't expect any changes. In Europe we have to see because Europe will obviously face a little more challenges given the -- given how long the war is protracted. So we have to watch what happens in Europe. But by and large, it is stable as compared to last year. That's the outlook.
- Radha:** All right, sir. Thanks and all the best to you.
- Amit Kalyani:** Thank you.
- Moderator:** Thank you. Over to you sir.
- Amit Kalyani:** Ladies and gentlemen, thank you very much for your time and interest and your support to our company. Really appreciate it. And we will remain in touch and our teams are available if you need any further input. Thank you and have a nice day.
- Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of Bharat Forge Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.