Date: 07th September, 2026

To,
Department of Corporate Services,
BSE Limited,
P J Towers, Dalal Street,
Mumbai- 400 001.
BSE: Scrip Code: 531112

To,
Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", C-1, Block-G,
Bandra Kurla Complex, Bandra (E),
Mumbai- 400 051.
NSE Trading Symbol: BALUFORGE

Respected Sir / Madam,

Subject: Submission of Annual Report of the Financial Year 2025-26 pursuant under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Annual Report of the Company for the financial year 2025-26 together with notice for the 37th AGM to be held on **Wednesday, September 30, 2026, at 12:30 p.m. (IST)** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

The Annual report for the financial year 2025-26 is made available on the website of the Company, i.e. https://www.baluindustries.com/.

Kindly take the same on your record.

Thanking You,
Yours Truly,

For Balu Forge Industries Limited

JASPAL SINGH CHANDOCK
Digitally signed by JASPAL SINGH CHANDOCK
Date: 2026.09.07 18:00:48 +05'30'

Jaspalsingh Chandock
Managing Director
DIN 00813218

Encl: As above

BALU FORGE

PRECISION AT SCALE

ANNUAL REPORT
2025-2026

BALU FORGE INDUSTRIES LIMITED

Precision at Scale

In industries where every component carries a critical responsibility, precision is more than accuracy; it is a discipline embedded across engineering, manufacturing and delivery.

At Balu Forge Industries Ltd (BFIL), this discipline has shaped our evolution into an integrated manufacturer of precision-engineered components for demanding applications, contributing to India's industrial progress and greater self-reliance.

This commitment to precision begins long before a component reaches the assembly line. For OEMs, performance depends on consistent quality, engineering support, manufacturing capability and dependable supply. Our integrated platform unifies our core capabilities, translating engineering expertise into reliable components.

Delivering this consistency calls for skilled people and continuous innovation, from advanced metallurgy and new material exploration to product and process development. As these capabilities evolve, so does our capacity to serve growing demand. Investments in Belgaum and planned capacity additions are enabling us to address larger, more complex and higher-volume requirements.

With products reaching over 80 countries, we are translating engineering depth into manufacturing scale and dependable global delivery.

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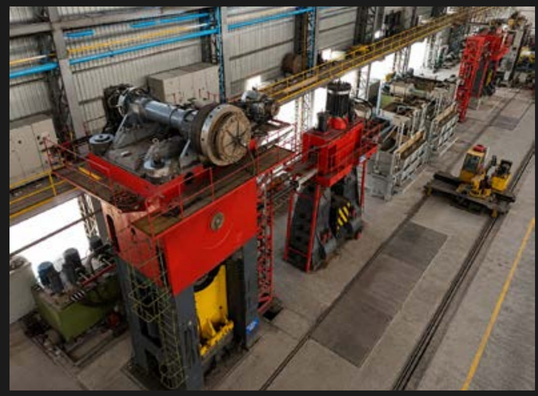


02 Statutory Reports

03 Financial Statements

For more information, visit our website:
www.baluindustries.com

About Balu Forge

Powering India's Industrial Edge, Engineering for the Future

We, at Balu Forge Industries Ltd (BFIL), have emerged at the helm of the Indian manufacturers who specialise in precision-engineered solutions and forged components, thereby, addressing the diverse customer base across domestic and international sectors.

Our integrated production capacity delivers engineered fabrication and micro-machining capabilities, enabling us to serve end-to-end offerings for complex and application-centric requirements. Backed by advanced forging equipment, in-house tooling and production prowess, our operations prioritise consistent quality and reliable execution. Our committed R&D team undertakes new product development, new-age materials and customised services, that supports our sharpened emphasis on product quality, reliability and technological advancement.

Our Mission and Vision

We aim to always under promise & overdeliver in all our ventures.

We continuously strive to be a preferred supplier to our patrons & partners all around the world. We aim to enhance and grow our reputation as one of the world's most respected manufacturing companies by exceeding customer expectations, providing an engaging and supportive work environment, and delivering financial success. We aim to ensure that we establish a robust management system to enhance customer's experience in dealing with us, satisfaction of all stakeholders and due consideration to the environment.

Our Culture

Respect

We value each other, our customers, our business partners, and our environment.

Honesty

We are genuine and open in our communication.

Commitment to Quality

We deliver products that exceed our customer's expectations.

Creativity

We listen, encourage and support different approaches as we continually strive to improve

Growth

We invest in personal and professional development.

Teamwork

We work together towards a shared goal.

₹ 11,074mn
FY26 Revenue

₹ 2,896mn
FY26 Earnings Before Interest and Taxes (EBIT)

26.2%
FY26 EBIT Margin

₹ 317mn
Cash Flow from Operations

21.7%
FY26 Return on Capital Employed (ROCE)

19.6%
FY26 Return on Equity (ROE)

Credit Rating

[ICRA] A- (Stable)
Long Term Borrowings

[ICRA] A2+
Short Term Borrowings

Our Journey

Tracing Our Legacy of Strategic Momentum

1989
The establishment of **'Balu'** was pioneered by **Mr. Prehlad Singh Chandock.**

1991
Primary component was undertaken to be **manufactured in our facility.**

1995
First component was exported successfully to an **international market.**

2006
Acquired and installed the **Ursus Manufacturing plant from Ursus, Poland.**

2010
Secured and commissioned the **Thyssenkrupp unit from L'horme, France.**

2011
Our Company accomplished the milestone of embedding our **footprints across 80 countries worldwide.**

2012
Received accreditation of **ISO/TS16949:2009** from the global enterprise **TUV NORD.**

2014
Produced **1,000 crankshafts** in a single working day.

2017
Emerged as the supplier of Choice to over **25 OES spanning 5 continents.**

2020
- Received recognition with the **14001:2015 & ISO 45001:2018**
- Achieved Certifications, thereby, establishing ourselves as an Approved Vendor to the **Ordnance Factory Board** and operationalising a **specialised manufacturing facility for the Defence Industry.**
- Secured transition and public listing on the **Stock Exchange**, emerging as a **Public limited enterprise officially.**

2021 and 2022
- Obtained the micro-machining unit of the **Mercedes Benz Truck factory from Mannheim, Germany.**
- We endeavoured to successfully execute the ESG audit by a reputed audit firm, thereby, joining the **United Nations Global Compact Programme,** pursuant to ESG efforts.

2023
Established the fundamental core for the **greenfield forging and machining facility in Belgaum, India.**

2024
Procured 3 fully automated forging lines with GERB Technology such as: **16T, 10T Forging Hydraulic Hammer and 8000T Forging Press.** These machines contribute a united forging capacity of **72,000 tons** annually.

2025
Invested in **7-axis and 11- axis machining capability, 25T hydraulic hammer** line and a fully automated empty shell, alongside mortar production line with an yearly output of **360,000** shells.

2026
- Forayed into the **NATO value chain** for **artillery shell bodies** and mission-critical components.
- Signed **5-year MoU for large-calibre ammunition supply with a NATO-affiliated entity.**
- Attained maiden aerospace order from **Alpha Aircraft Systems, USA.**
- Obtained order for **30,000 units of 152mm artillery shells.**
- Entered defence materials through **Quantum Energetics Private Limited.**

Management Message

Reflecting on Our Long-term Impact

"We are systematically scaling our forging capacity from 100,000 MTPA toward 150,000 MTPA, alongside expanding our precision machining capacity from 45,000 MTPA toward 80,000 MTPA. Operationally, we integrated advanced 7-axis and 11-axis machining centres, commissioned a 25-ton hydraulic hammer, and deployed automated press lines."

₹ 11,073.67 million
Consolidated Revenue

₹ 2,995.38 million
EBITDA

₹ 2,588.91 million
Consolidated Profit After Tax

Dear Shareholders,

The past fiscal year marked a period of disciplined progress for Balu Forge. Steel finds its true shape only under sustained pressure, applied with precision, over time. Balu Forge Industries Limited's thirty-seventh year followed much the same course.

As industrial supply chains recalibrated globally, our strategic focus remained anchored on deepening our engineering capabilities and optimising operational execution across high-precision applications. By maintaining operational rigour and expanding our technological envelope, we achieved solid operational and financial growth during Financial Year 2026.

Our consolidated performance demonstrates the durability of our business model, which continues to generate sustainable value through focused execution across key industrial verticals.

A World in Motion

The global industrial landscape faced significant turbulence throughout the year, characterised by input cost volatility, persistent inflationary pressures, and complex geopolitical shifts. Despite these challenges, front-loaded demand and steady global trade in technology-led capital goods helped stabilise industrial output across key international markets.

In contrast, India demonstrated remarkable economic stability. Driven by expanding public capital expenditure, healthy domestic consumption, and targeted policy frameworks, the domestic manufacturing sector grew by 10.7% year-on-year in Gross Value Added. Initiatives including GST rate rationalisation, expanded credit access for engineering firms, and strategic bilateral trade agreements provided a supportive operational backdrop for Indian manufacturing.

Our Performance and Catalysts for Growth

Navigating this environment, your company delivered strong financial performance across all key metrics. Consolidated revenue from operations reached ₹ 11,073.67 million in FY26, representing a growth of 19.9% over ₹ 9,236.17 million recorded in FY25. Operating EBITDA rose 19.3% to ₹ 2,995.38 million, sustaining an EBITDA margin of 27.00%. Consolidated Profit After Tax increased by 24.6% to ₹ 2,588.91 million, delivering a PAT margin of 23.38%, with Earnings Per Share standing at ₹ 23.9.

Our trajectory was further supported by national policy initiatives such as Aatmanirbhar Bharat, positive indigenisation lists for defence components, and increased fiscal allocation toward heavy infrastructure and high-speed rail projects.

Operational Scaling and Technological Integration

To support our next phase of development, we continued to expand our manufacturing scale and precision infrastructure during the year. We are systematically scaling our forging capacity from 100,000 MTPA toward 150,000 MTPA, alongside expanding our precision machining capacity from 45,000 MTPA toward 80,000 MTPA. Operationally, we integrated advanced 7-axis and 11-axis machining centres, commissioned a 25-ton hydraulic hammer, and deployed automated press lines. These technical additions enhance our capacity to process complex product geometries with tighter tolerances and shorter production cycles, reinforcing our capability to serve demanding global standards.

Diversification Across High-Precision Verticals

Our effort to broaden our product mix into higher-margin, specialised engineering sectors continued to progress effectively. While core sectors including agriculture at 36% and commercial vehicles at 20% provided stable revenue, our high-precision verticals gained significant traction.

Our Defence, Aerospace, and Railways vertical expanded to represent 13% of our consolidated revenue. Key operational milestones within this sector included securing entry into the NATO supply chain for artillery shell bodies, signing a five-year MoU for large-calibre ammunition supply, and receiving our initial aerospace order from Alpha Aircraft Systems in the United States.

Heavy Engineering and Industrial Machinery accounted for 16% of revenue through advanced forged components, while Power Generation and Oil & Gas contributed 10% and 5% respectively.

Stewardship, Sustainability, and Human Capital

Operational expansion continues to go hand in hand with environmental stewardship and community support. We are steadily working toward our environmental targets, which include achieving carbon neutrality by 2040, transitioning to 100% renewable energy by 2035, as well as maintaining Zero Liquid Discharge by 2030.

Through our Corporate Social Responsibility framework, we invested ₹ 15.7 million during FY26, supporting over 620 individuals through targeted programs in vocational training, educational infrastructure, and community welfare. Across our facilities, we maintain strict adherence to ISO 45001:2018 standards to preserve a safe and structured workplace for all employees.

Path Forward and Gratitude

Balu Forge remains well positioned to advance its long-term growth objectives. With operational reach spanning over 80 countries, a low-leverage balance sheet, and growing in-house capabilities in advanced metallurgy, we will continue expanding our footprint in precision manufacturing.

In Gratitude

We remain committed to prudent capital deployment and continuous technical enhancement to deliver long-term value for our stakeholders. None of this is possible without the trust our shareholders place in us, the dedication of our employees, and the confidence of our customers, suppliers and partners.

On behalf of the Board, I thank each of you for standing with Balu Forge through another year of growth, and I look forward to building on this momentum together. I also thank our workforce, whose discipline and daily effort remain central to our progress.

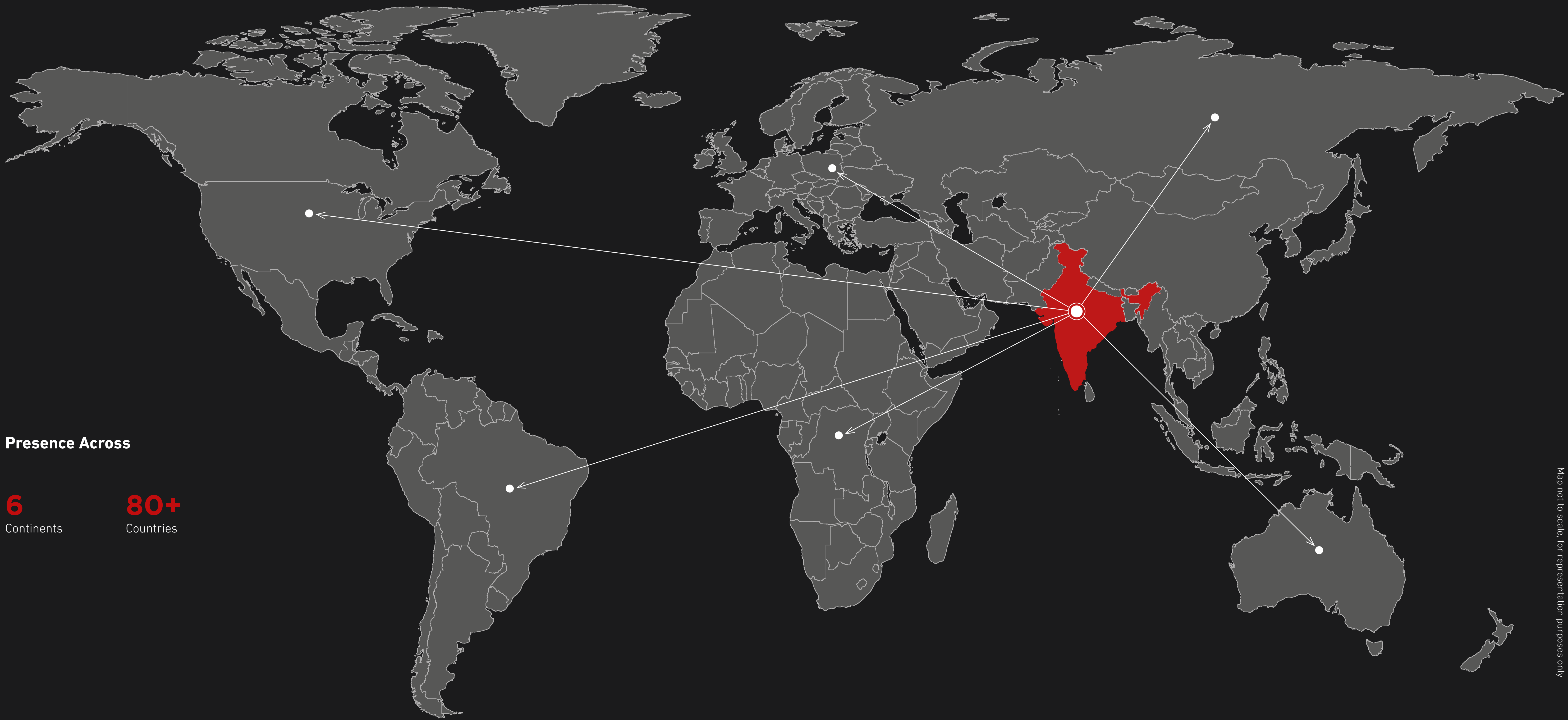
Sincerely,

Jaspal Singh Chandock
Chairman and Managing Director
Balu Forge Industries Limited

Geographic Footprint

Expanding Our Networks, Strengthening Our Outputs

At Balu Forge, we have embarked on building a strong presence in international markets, supplying precision-engineered products and forged components to a diverse global clientele base. This global reach drives our ability to serve with consistency and reliability while cultivating lasting partnerships within the overseas forging industry.



Presence Across

6 Continents

80+ Countries

Map not to scale, for representation purposes only

Our Strengths

Stewarding towards our High-impact Trajectory with Resilience

Our strengths stem from our integrated production capabilities, diverse sectoral exposure and customer reach worldwide. Coupled together, they provide the strong pillars for delivering precision-engineered solutions across diverse markets.

Advanced Manufacturing Capabilities

Our omni-process production cell supports the generation of complex, high-precision components. Advanced multi-axis machining, forging frameworks and anti-vibration technology broaden our operations throughout demanding applications.

Firm Distribution Network

Our footprints spanning global markets is further backed by an established distribution ecosystem delivering customers across diverse geographies. Correspondingly, this reach supports customer access and services pan-India and internationally.

Diversified Industry Exposure

We serve multiple industries, with growing exposure to Defence, Aerospace and Railways alongside Commercial Vehicles and other industrial applications. This diversified portfolio reduces dependence on any single sector.

Integrated Manufacturing Platform

Our capabilities range from forging, heat treatment, precision machining, to grinding and finishing, backed by in-house tooling and metallurgical facilities. Accordingly, this unified setup permits for addressing varied component demands throughout the manufacturing cycle.

Capacity for Complex Components

Our manufacturing platform ensures substantial capacity across the segments of forging and machining, alongside planned additions prioritising higher-volume and precision-intensive applications.

Experienced Technical Talent

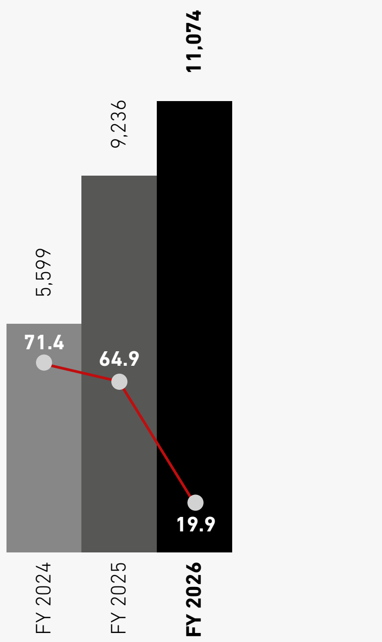
Our manufacturing and R&D capabilities are upheld by skilled professionals with distinguished backgrounds who cover forging, machining, metallurgy, engineering and product upgradation.

Our Performance

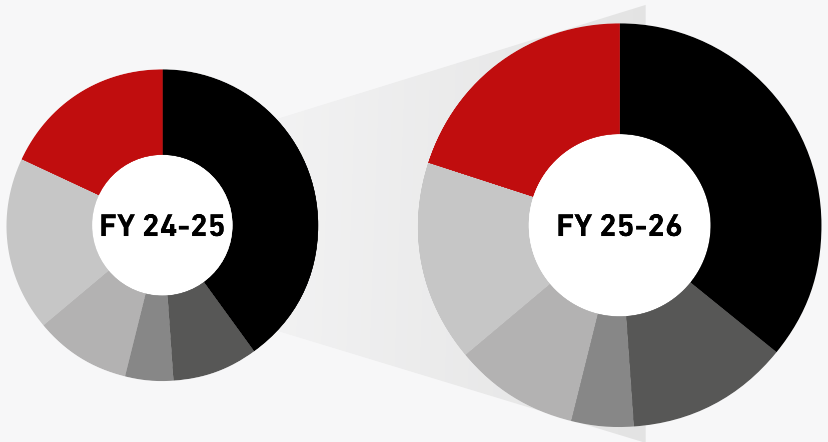
Consolidating our Growth with Metrics

Revenue from Operations
(₹ in Mn)

Growth (in %)



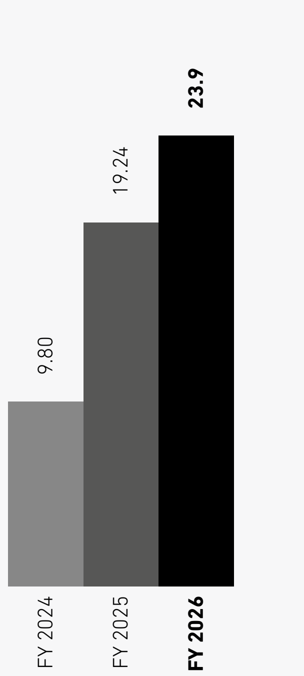
Revenue Contribution
(in %)



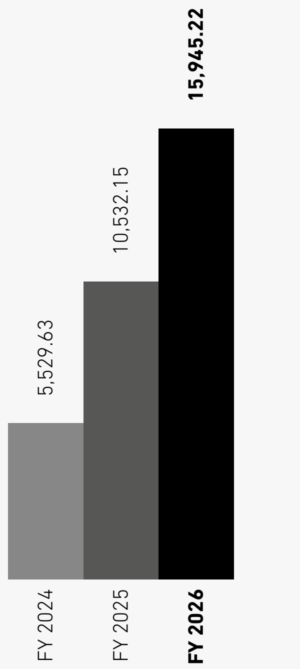
FY 24-25:
- **40** - Agriculture
- **9** - Defence/Aerospace/Railway
- **5** - Oil and Gas
- **10** - Power Generation
- **18** - Heavy Engineering and Industrial Machinery
- **18** - Commercial Vehicles

FY 25-26:
- **36** - Agriculture
- **13** - Defence/Aerospace/Railway
- **5** - Oil and Gas
- **10** - Power Generation
- **16** - Heavy Engineering and Industrial Machinery
- **20** - Commercial Vehicles

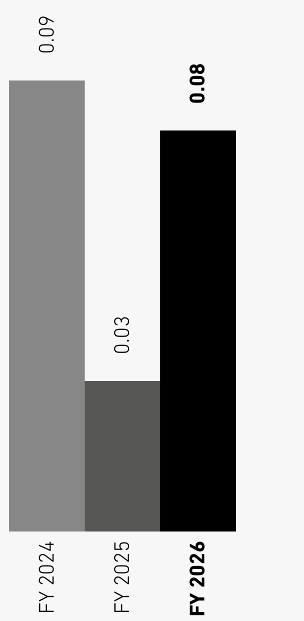
Earnings Per Share
(in ₹)



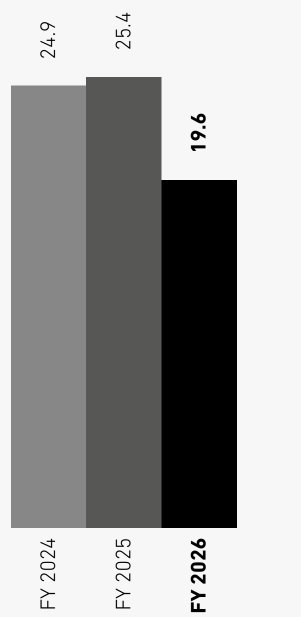
Net Worth
(₹ in Mn)



Debt-to-equity Ratio
(Times)

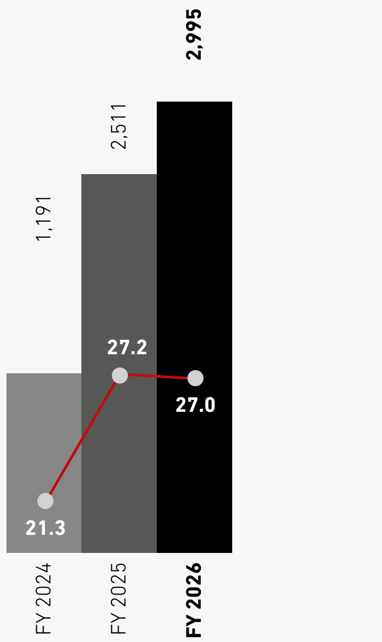


Return on Equity
(in %)



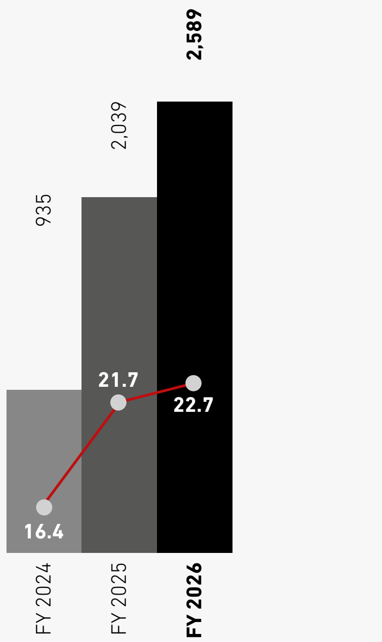
EBITDA
(₹ in Mn)

EBITDA Margin (in %)

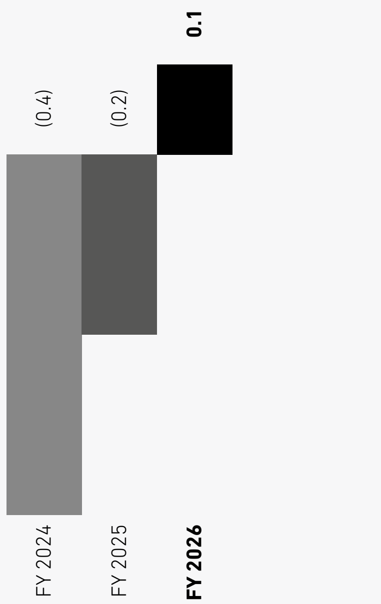


PAT
(₹ in Mn)

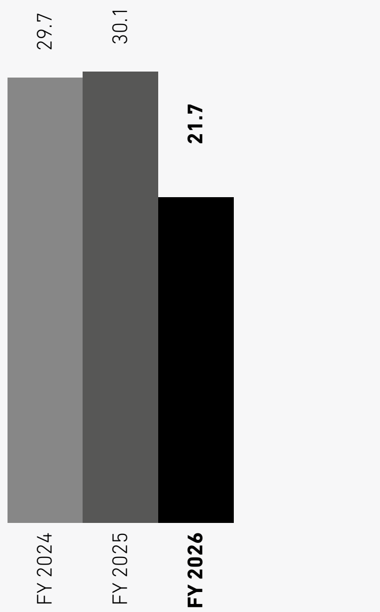
PAT Margin (in %)



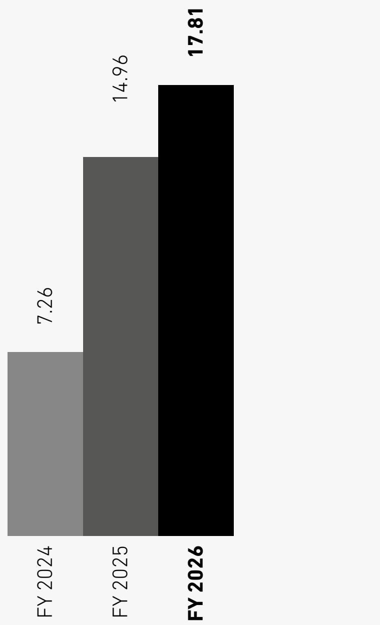
Net Debt/EBITDA
(₹ in Lakhs)



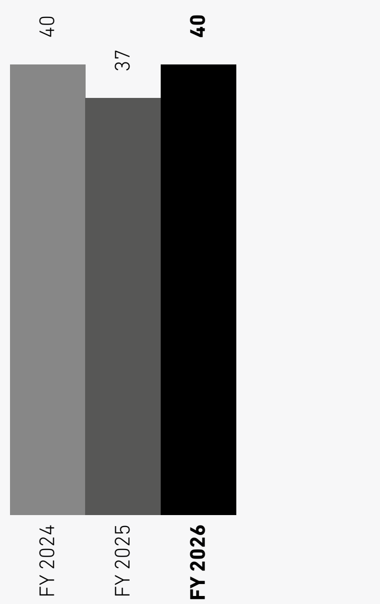
Return on Capital Employed
(in %)



Debt Service Coverage Ratio
(Times)



Inventory Turnover Ratio
(in days)



Our Product Portfolio

Building a Spectrum of Diverse Offerings, Pioneering Excellence

Our product portfolio covers a multitude of sectors and global markets, supported by proficiencies pertaining to the segments of design, forging and meticulous machining.

We manufacture a comprehensive range of precision-engineered parts tailored to diverse application requirements, with a heightened emphasis on quality, reliability and consistency. The extensive breadth of our offerings drives our capability to serve evolving customer dynamics.

Industries served

Aerospace

Agriculture

Automotive

Defence

Marine

Locomotive

Oil & Gas

Wind Energy

Earth Moving Machinery

Industrial Vehicles

Auto Components

Non-auto Components

Our Operational Excellence

Leveraging Our Agility, Fortifying our Throughput

Our manufacturing platform combines advanced metalworking operations spanning four facilities in India and UAE.

The integrated production capabilities cover key stages from raw material sourcing and billet preparation to forging, heat treatment, micro-machining, grinding and quality prospects. Our manufacturing setup integrates cutting-edge equipment, in-house tool rooms and metallurgical laboratories with enhanced engineering and R&D capacity. Consequently, the portfolio includes hydraulic hammers, an 8,000-ton mechanical press, 7-axis and 11-axis machining infrastructure and high-precision grinding equipment.

Our Value Chain

Our manufacturing value chain undertakes hybrid production within a streamlined workflow. Raw materials sourcing occurs from selected steel plants and semi-forged component suppliers prior to the transfer through billet production, cutting, forging, trimming, heat treatment and machining. Quality is consistently maintained across the production cycle, with finished components undergoing final inspection before dispatch. In-house tool rooms and metallurgical laboratories support the manufacturing process across forging and machining. Manufacturing Process

Forging Plant

In-House Tool Room & Metallurgical Lab

Smelting for Billet Production → Billet Cutting → Hammer & Press Forging → Trimming Process → Heat Treatment → Quality Control & Dispatch to Machining Plan

Machining Plant

In-House Tool Room & Metallurgical Lab

Inward Inspection → Rough Machining → Heat Treatment → Transfer to Finishing Unit → Finishing Machining → Quality Control & Dispatch

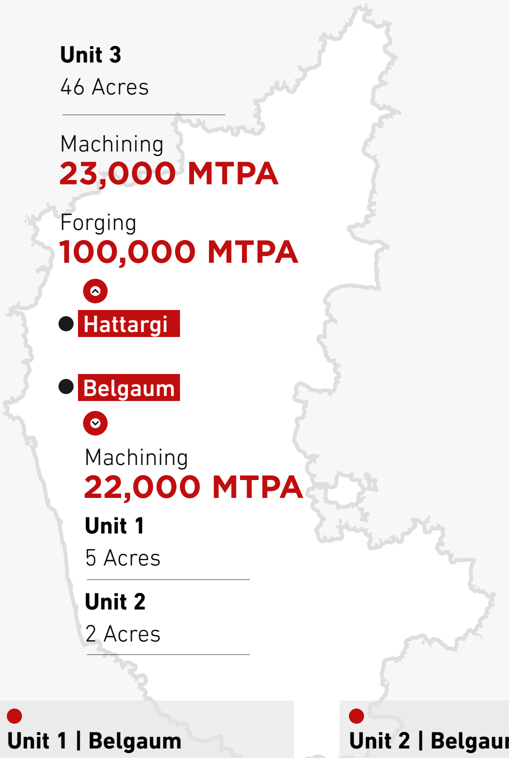
Our Manufacturing Scope

Our manufacturing platform incorporates advanced infrastructure, forging and precision-engineering competence, fortified by rigorous quality control and process expertise. Our heightened focus on technology and precision accelerates efficient production of reliable, high-quality components across varying commercial applications.

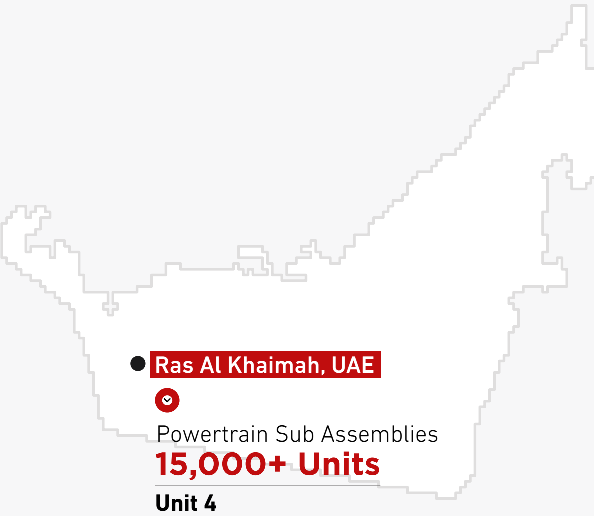
Strategically Located Production Units

We operate three manufacturing units in Karnataka, India, spanning 53 acres, alongside a 1-acre facility in Ras Al Khaimah, UAE. Subsequently, they ensure robust utilisation of precision machining, forging and powertrain sub-assemblies.

Karnataka, India - 3 Units, 53 Acres



Ras Al Khaimah, UAE - 1 Unit, 1 Acre



Unit 1 | Belgaum
43B, Kakti Industrial Area, Kakti, Belgaum - 591113, Karnataka, India.

Unit 2 | Belgaum
44-A, Kakti Industrial Area, Kakti, Belgaum 591113, Karnataka, India.

Unit 3 | Hattargi
428/1, Next to Aequs SEZ, Hattargi Village, Taluk Hukkeri - 591243, Karnataka, India.

Unit 4 | Ras Al Khaimah
S21-03 Shed No.21 - Al Hulaila FZ Al Hulaila Industrial Zone-FZ RAK, United Arab Emirates.

Our Capabilities

Advanced Forging

Our forging operations pair together high-capacity equipment with vibration-control technology to refine the production of precision-engineered components. Geostationary Earth Radiation Budget (GERB) technology and anti-vibration systems are designed to minimise machine vibration by approximately 90%, enhancing stable operations and equipment performance.

Capacity Expansion

100,000+ MTPA
Current Capacity

150,000+ MTPA
Planned Capacity

Key Forging Potential

25-ton
Hydraulic Hammer

8,000-ton
Mechanical Press

16-ton
Hydraulic Hammer

10-ton
Hydraulic Hammer

GERB
Anti-vibration Technology

Hydraulic Power Head

In-house Tool Room

In-house Metallurgical Laboratory

Precision Machining

Our precision machining potential include new-age 7-axis and 11-axis machining infrastructure, with high-precision grinding equipment, ensuring generation of complex geometries and components that require maximised levels of dimensional accuracy and process precision.

Capacity Expansion

45,000 MTPA
Current Capacity

80,000 MTPA
Planned Capacity

7-Axis Machining
Drives the machining of intricate geometries through multi-axis movement.

11-Axis Machining
Supports complex, high-precision components, including aerospace applications.

Junker Grinding
Provides high-precision grinding pertaining to complex geometries, cutting tools and automotive components.

Research and Development (R&D)

Our R&D competence fortify product innovation, process engineering and the development of new materials throughout industries. Moreover, we have a dedicated team of 75 R&D professionals, supported by in-house tool room, metallurgical laboratory, design, process, inspection and testing abilities.

R&D Capabilities

State-of-the-Art Machining

Our machining operations are propelled by advanced infrastructure, including a fully equipped in-house tool room, metallurgical laboratories, alongside committed design and process development competency. These further stand complemented by comprehensive inspection and testing facilities.

Product Engineering and Innovation

Our commitment to engineering excellence drives the development of our innovative offerings, thereby, catering to the evolving market demands.

Material Development

We proactively pursue advancements in material chemistries, analysing compositions and applications of innovative metals to unlock new opportunities, thereby, optimising throughput.

Advanced and Additive Manufacturing

We incorporate additive manufacturing technologies to enhance flexibility, accelerate rapid prototyping and decelerate product development cycles.

Product Development Process

Certifications

ISO 9001:2015
IATF 16949
ISO 14001:2015
ISO 45001:2018

Our People

Progress Anchored in Inclusivity and Cooperation

Our people constitute the crux of our manufacturing capabilities and business trajectory. We constantly strive to emphasise on attracting and retaining talent, inventing role-specific capabilities and providing a workplace that promotes safety, inclusion and growth prospects.

Talent and Capability Development

We promote training across technical, functional, safety, governance and behavioural areas. Programmes educate on topics including machine safety, impact testing, corporate governance, ethics, anti-bribery, Prevention of Sexual Harassment (POSH), cybersecurity, Environmental, Social, and Governance (ESG) and communication.

78%

Employees Covered under Skill Development

Performance and Career Development

We utilise performance and career development reviews to assess employee performance, development requirements and career aspirations. Our engagement channels include one-on-one discussions, Human Resource (HR) communications, workshops, training sessions and exit interviews.

99%

Employees Receiving Performance Reviews

Health, Safety and Well-being

We operate an Occupational Health and Safety Management System in compliance with **ISO 45001:2018**, covering employees, contract workers and onsite activities. Our safety framework provides risk assessments, method statements, pre-work risk evaluations, safety training and a Fatality Prevention Plan.

NIL

Lost Time Injuries

Employee Engagement and Well-being

We sustain multiple channels for employees to enable exchange of feedback and reporting of concerns, including grievance redressal cells, leadership interactions, HR communication and one-on-one meetings. Our well-being initiatives cover medical support, wellness programmes and awareness sessions regarding physical and mental health.

Diversity and Inclusion

We pursue an equal opportunity strategy to promote an inclusive and cooperative workplace. Additionally, our workplaces integrate accessibility features aligned with applicable requirements, alongside simultaneously, preventing discrimination and workplace misconduct through our preventative policies.

2.25%

Women in Workforce

Sustainability

Safeguarding Diversity, Embodying Upliftment

We have stewarded sustainability in our business philosophy, with a sharpened focus on responsible resource utilisation, environmental commitments and long-term value creation.

We, thereby, undertake the progressive transition towards cleaner and enhanced power-efficient frameworks, while pursuing a higher share of renewable energy in our operations.

Our ESG initiatives are overseen by the Corporate Social Responsibility (CSR) and Sustainability Committee, carrying regular updates to the Board. Through this governance ecosystem, we seek to deepen our sustainability considerations by embedding into our business strategic decision-making and enduring value for our stakeholders.

ESG Targets

Net Zero Emissions
Carbon Neutral Operation by 2040

Water Management
Accomplish 100% Water Recycling by 2035

Zero
Liquid Discharge (ESG Targets) - 2035

Renewable Energy
Transform 100% Renewable Energy by 2035

Waste Management
Minimise Total Waste Generation by 2035

20%
Surge Women's Representation in Leadership By 2030

Environmental Stewardship

We acknowledge our responsibility in conservation of natural resources and deceleration of environmental footprint in our operations. Our Environmental Management System drives the management of energy, emissions, water and waste throughout our production plants.

Our approach prioritises cleaner energy, resource efficacy, responsible waste management and water conservation. Moreover, we work collaboratively with our supply chain partners to promote and sustain integrity and accountability in our ecological undertakings.

ISO 14001:2015
Environmental Management System

Energy and Emissions

We are strengthening energy efficiency through Light Emitting Diode (LED) lighting, automated controls, energy-saving motors, hydraulic power heads and automated production equipment. Further, we commit to heightened use of renewable energy through solar and wind power, including strategies for a dedicated solar farm.

1,12,652 GJ
Total Energy Consumption

Water Stewardship

We maintain water through conservation, treatment and repurposing initiatives operation-wide. Our Zero Liquid Discharge facility enables treated water to be reused for process demands and concurrently drives other facilities to treat effluent and sewage pursuant to the applicable standards.

Responsible Waste Management

We follow the principles of Reduce, Reuse, Reprocess, Recycle and Recover across our waste management measures. Internal process scrap is recycled through authorised channels, while packaging materials are reused and biodegradable waste is transformed into manure.

Hazardous and non-hazardous waste are managed via defined processes and authorised agencies. Our Zero-Waste Manufacturing Programme further focuses on reducing landfill disposal and expediting resource recovery.

5,023.48 MT
Total Waste Generated

Social

Our social initiatives extend beyond our operations to uplift communities and build long-standing partnerships with our external stakeholders. Through our CSR programmes and stakeholder engagement, we necessitate highlighting education, women's empowerment, youth development, alongside community needs that sustain open, transparent communication with our wider stakeholder network.

Community Development

Our CSR initiatives undertake upliftment of women, students and unemployed youth, with programmes empowering with education, digital access, vocational training and employment-focused skills. Notably, we support special education, lifestyle enhancement and allied community development initiatives.

External Stakeholder Engagement

We engage with customers, suppliers, investors, government agencies, local communities, NGOs and CSR partners through structured communication channels. Feedback and stakeholder concerns are addressed through the means of open and direct interactions, grievance mechanisms, workshops and other engagement platforms

₹ 15.7mn
Amount Invested for CSR in FY26

620
Individuals Benefitted via CSR Expenditure

Governance

Our governance infrastructure entails the core pillar for accountable decision-making, regulatory adherence and ethical business conduct. Moreover, the Board of Directors oversees the Company's strategic direction, management policies and operational functioning, backed by senior management and designated committees.

Focus Area

- Corporate Governance Structure
- Director Independence
- Cybersecurity and Data Privacy
- Shareholder Rights
- Business Ethics
- Oversight of Lobbying and Public Policy
- Balanced and Aligned Executive Compensation
- Effective Board Composition and Refreshment

Board Oversight and Accountability

The Board serves as the apex governance body, overseeing primary objectives, management policies and the interests of shareholders. A dedicated board-level Management Committee supervises economic, environmental, social and governance responsibilities, with the conduct of yearly formal reviews.

Board Composition

6 Total

Chairman and MD	1
Executive Director	2
Independent Director	3

50% Independent Directors

16.67% Women Representation in Board

Board Committees

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

Ethics and Business Conduct

We operate within the set benchmarks of ethical, moral and legal conduct. Correspondingly, our Business Responsibility Policy remains grounded in fairness, integrity, responsibility and mutual respect for stakeholders, with a zero-tolerance approach to bribery and corruption.

Risk and Compliance

Risk management forms the integral part of our governance framework, with processes enabling identification, evaluation, monitoring and management of threats that pose to adversely affect organisational continuity and shareholder value. Consequently, statutory compliance and policy performance are reviewed periodically by relevant committees and senior management.

Board of Directors

The True Minds Realising Our Long-term Vision

Mr. Jaspal Singh Chandock

Chairman and Managing Director

MC

Mr. Jaspal Singh Chandock, based in Mumbai, is a second-generation entrepreneur with approximately four decades of expertise in precision machining. Under the guidance of late Mr. Prehlad Singh Chandock, he laid the fundamental crux for Balu Forge, instilled with the vision to manufacture critical, high-precision components. Over the years, his leadership continue to shape the Company's growth into a globally recognised enterprise with a presence spanning over 80 countries. Fortified on resilient values, integrity and technical prowess, our enterprise has reaffirmed its distinguished position in the growing segment of precision engineering.

Mr. Trimaan Singh Chandock

Executive Director

AC | RMC | CSR | MC

Mr. Trimaan Singh Chandock holds prestigious degrees in both BSc and MSc in Management Studies from H.R College, Mumbai. He joined our Company in 2009. Under his leadership, Balu Forge has embraced its incremental innovation centred in all its operations, thereby, securing the esteemed TS16946 certification. Subsequently, he has been instrumental in our strategic intent of converting Balu Forge into an officially, publicly listed enterprise.

Mr. Jaikaran Singh Chandock

Executive Director

RMC | CSR | MC

He is the youngest member of the leadership team, having joined the business in 2014 post the attainment of the distinguished BSc in Business Management from Cass Business School, London and an illustrious MSc in Strategic Marketing from Imperial College, London. Prior to joining our Company, he imbibed valuable skillset working with Multinational Corporations (MNCs) such as Reeves and Njoy. With entrepreneurship embedded in the family legacy, his addition marked a pivotal point of technological advancement and strategic diversification. Moreover, he has integrated cutting-edge technologies, bolstering Balu Forge's product line, accompanied with high-precision components. Under his vision, the R&D facility has undergone significant expansion, thereby, establishing a robust foundation and a clear direction for BFIL's future growth momentum and innovation trajectory.

AC - Audit Committee | NRC - Nomination and Remuneration Committee | RMC - Risk Management Committee
SRC - Stakeholders Relationship Committee | CSR - Corporate Social Responsibility Committee | MC - Management Committee

Management Discussion and Analysis

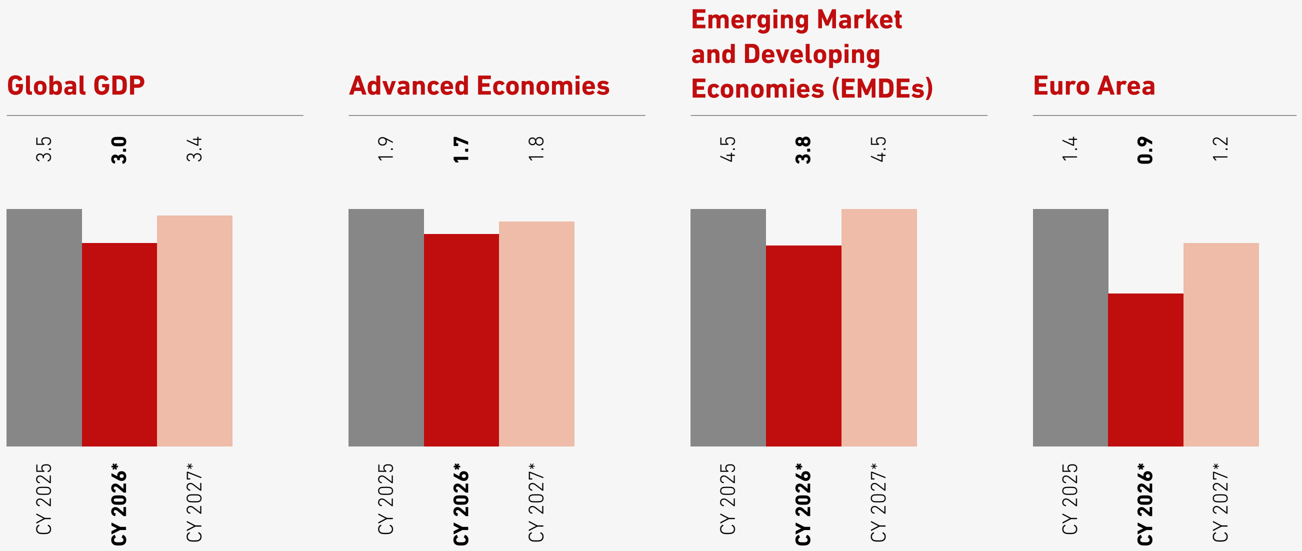
Economy

Global Economic Review

During CY 2025, the global economy demonstrated resilience, registering a 3.5% growth amid geopolitical uncertainties and evolving trade dynamics. Global inflation moderated to 4.1%. Despite macroeconomic policy reforms, steady progress was propelled by robust trade flows and a significant surge in technology-led exports. Amidst persisting structural challenges, the global manufacturing sector rebounded, primarily with front-loaded trade activity. Advanced economies experienced subdued production due to escalating input costs, policy and trade volatilities. However, advanced technology manufacturing and export facilitated rapid stabilisation. Geopolitical tensions in the Middle East temporarily impacted market sentiment, triggering a surge in crude oil prices, thereby intensifying inflationary pressures. Global organisations recalibrated their margin expectations in alignment with geopolitical and national security considerations.

Global economic growth is projected to moderate to 3.0% in CY 2026 before improving to 3.4% in CY 2027. Global inflation is estimated at 4.7% in CY 2026. Persistent geopolitical tensions and potential trade disruptions remain the primary risks to the macroeconomic environment. However, coordinated policy frameworks and proactive risk-mitigation strategies will drive sustain long-term resilience.

Global Real GDP Growth Rate (in %)



**Projected*

***Source:** World Economic Outlook, IMF July 2026*

Indian Economic Review

India demonstrated steady growth in FY 2025-26 with a Real GDP growth estimated at 7.7% driven by robust domestic consumption, strong macroeconomic fundamentals and sustained public capital generation . The Indian manufacturing sector maintained its growth momentum, backed by favourable private consumption, increasing fixed investment rates and a conducive policy environment. Primary demand catalysts included targeted GST rate rationalisation, which accelerated the government's strategic expenditure expansion. This significantly bolstered performance in the capital goods and infrastructure segments, while enhanced credit availability for critical engineering and base metal sectors promoted industry scaling. Gross Foreign Direct Investment (FDI) augmented by 17.3% year-on-year (YOY), further reinforcing investor confidence as manufacturing consistently secures substantial equity inflows.

USD 94.5 billion

FDI inflow in FY 2025-26

[1] *https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026*

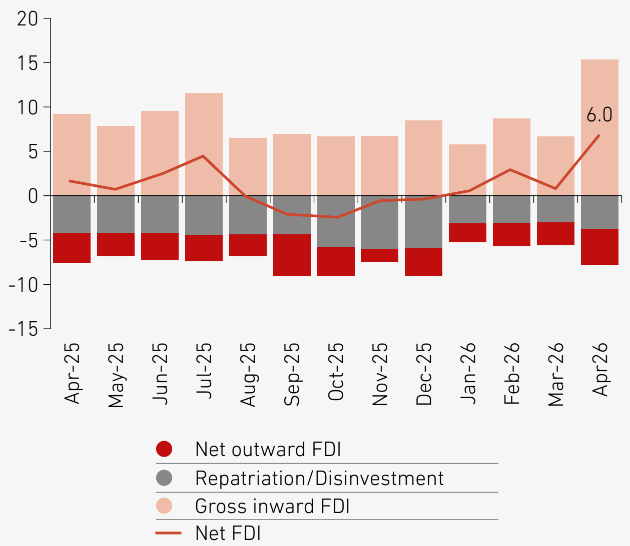
[2] *MOSPI Provisional Estimates Annual Gross Domestic Product for FY 2025-26*

The Indian economy is projected to expand by 6.7% in FY 2026-27, anchored by resilient domestic consumption, robust private investment, structural policy reforms and expanding public infrastructure expenditure. CPI inflation is forecasted at 5.0%, indicating supply-side pressures from West Asian geopolitical conflicts, resulting in escalating energy prices . The Union Budget FY 2026-27 introduced a targeted six-point investment strategy which prioritises core manufacturing, traditional industries, MSMEs, infrastructure development, energy security, and urban economic zones. Further, an 11.5% increase in capital allocation, inclusive of effective state transfers, reinforces the government's commitment to infrastructure development, thereby ensuring medium-term tailwinds for capital goods and defence sectors.

The strategic India-European Union Free Trade Agreement (FTA) serves as a key growth driver for the domestic manufacturing sector by enabling duty-free access across 97% of EU tariff lines. The elimination of tariff barriers significantly enhances export competitiveness for key industries, including precision engineering components, textiles, leather and gems. This ensures the integration of Indian producers into European supply chains. Simultaneously, reciprocal tariff reductions on European high-tech equipment and advanced machinery effectively minimise capital expenditure for domestic manufacturers, thereby accelerating industrial automation and local value addition. The agreement will promote sustained European FDI into Indian industrial hubs while fuelling consistent capital formation, technology transfer and bolstering supply chain resilience.

FDI Inflow in FY 2025-26

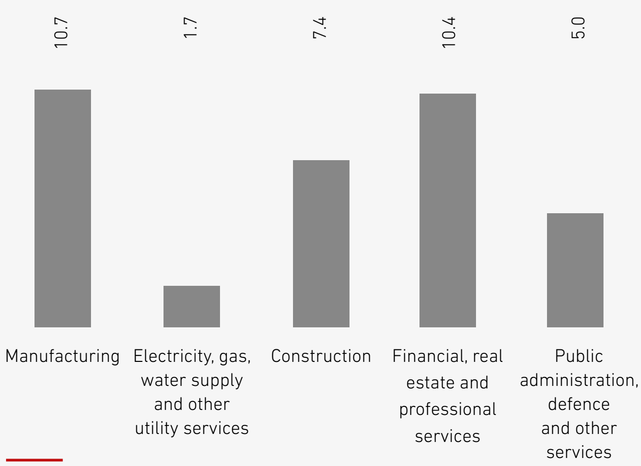
a. Gross and Net FDI
(US$ billion)



Source: *RBI.*
Source: *RBI Bulletin, June 2026*

Real Gross Value Added (GVA) Growth (in %)

FY 2025-26 (Year-on-Year Growth)



Source: *RBI Bulletin, June 2026*

Industry Overview

Global Automotive Industry[5]

The Global Automotive Industry is valued at USD 2.75 trillion in CY 2025 and is projected to expand at a Compound Annual Growth Rate (CAGR) of 9.82% over CY 2025 to CY 2032. Industry performance was primarily driven by steady macroeconomic growth and expanding middle-class vehicle ownership in emerging regions such as South Asia, in addition to an accelerated global transition toward vehicle electrification propelled by strict regional emission mandates including the EU's fleet-wide CO_2 reduction targets. Internal combustion engine (ICE) vehicles maintained 85% market share, while Electric Vehicles (EVs) achieved a 70% sales rate in China and approximately 25% in Europe. Simultaneously, stricter safety regulations, supply chain realignments and the progressive adoption of Software-Defined Vehicle (SDV) architectures recalibrated value chains, thereby driving long-term structural transformation toward connected and zero-emission mobility.

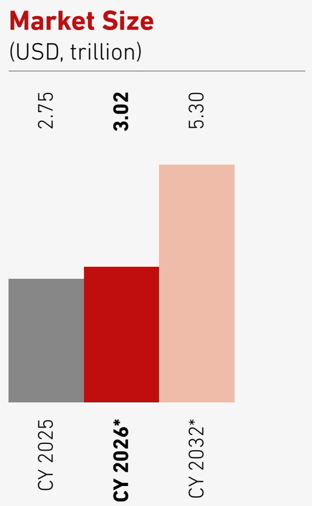
The industry is forecasted to expand to USD 5.30 trillion by CY 2032. This progress will be predominantly propelled by strict environmental regulations and zero-emission mandates that enforce the deregulation of the old fleet. Further, expanding urbanisation and e-commerce activities will promote commercial logistics fleet requirements. The industry value is augmenting as manufacturers adopt software-centric vehicle designs while ensuring compliance with government safety mandates for Advanced Driver-Assistance Systems (ADAS), thereby elevating the electronic and software value for each vehicle. Consistent public and private investments across charging networks are encouraging greater adoption of alternative powertrains, thereby reinforcing long-term market growth.

[3] *https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR80907599DE5FD164918A49085C9D6270116.PDF*

[4] *RBI Bulletin, June 2026*

[5] *https://www.marknteladvisors.com/research-library/automotive-market-report.html*

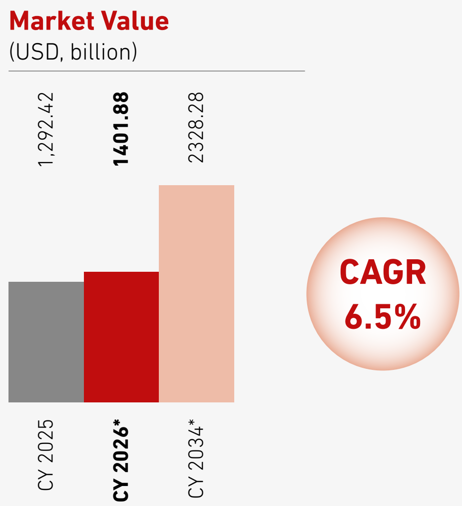
Global Automotive Industry Market Size Growth (USD, trillion)



**Projected*

Source: *Global Automotive Market Research Report, MarkNtel Advisors*

Commercial Vehicle Global Market Growth



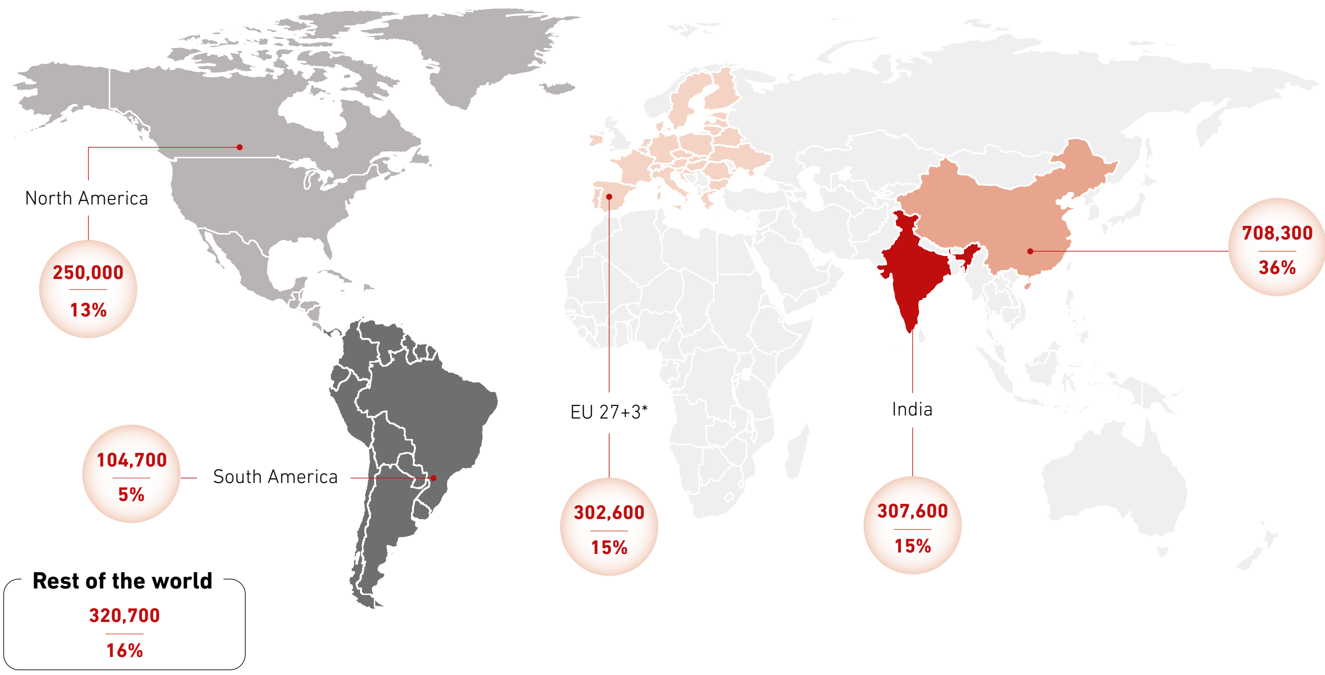
**Projected*

Source: *Commercial Vehicle Market, Fortune Business Insights*

Global automotive sales

Global automotive sales volumes have exhibited variable regional performance, driven by localised economic conditions, fluid supply chains and evolving powertrain transitions. Global passenger car registrations have stabilised at approximately 74.6 million units, with aggregate motor vehicle sales registering roughly 77.6 million units. This indicates an operational recovery from inventory shortages. Market growth will be primarily driven by domestic demand expansion and increasing vehicle exports from emerging economies including China and India. Advanced manufacturing regions, predominantly in the European Union, are experiencing localised production decline due to surging energy prices, evolving supply chain volatilities and dynamic geopolitical regulations that disrupt cross-border distribution.[6]

Global Heavy Duty Truck Sales



**EU 27+3 is a geopolitical and economic statistical grouping. It consists of the 27 current member states of the European Union (EU) plus three non-EU European countries: the United Kingdom, Norway, and Switzerland*

Source: *S&P Global Report*

[6] https://www.acea.auto/files/Economic_and_Market_Report-Full_year_2025.pdf

Indian Automotive Industry

The Indian automotive industry has experienced significant growth, promoted by increasing household incomes, robust urban and rural demand along with targeted tax rationalisation, further bolstered by Production-Linked Incentive (PLI) schemes. While traditional Internal Combustion Engine (ICE) platforms maintained an 86% market dominance, smart-mobility integration accelerated, with connected vehicles accounting for 27.4% of total sales. Additionally, public policy initiatives, notably the PM E-DRIVE scheme, encouraged EV adoption. However, comprehensive market scaling continues to be moderated by localised charging infrastructure limitations and power grid reliability constraints.

The industry is estimated at `USD 311.72 billion by 2032. This growth will be fuelled by augmenting household incomes, rapid urbanisation in tier-II and tier-III cities and sustained policy support. Two-wheelers will dominate the market share due to their affordability, while the consumer preference for Sport Utility Vehicles (SUVs) is driving expansion in the passenger car segment. Despite petrol being the leading fuel type, battery EVs are predicted to achieve a double-digit growth rate through 2032 with charging network expansion. Structural headwinds including global semiconductor supply chain volatility and heightened R&D expenditure to comply with strict safety and emission regulations[7] continue to persist.

8.34%

CAGR Growth Rate of the Indian Automotive Sector (2026-2032)

India's Defence and Aerospace Industry

The Indian aerospace and defence sector demonstrated significant resilience. Significant commercial air passenger traffic and policy regulations empowered domestic self-reliance, propelled by strategic expansion and structural modernisation. Industry performance was driven by airline capacity scaling and network development under regional connectivity initiatives. Key growth drivers included targeted fiscal incentives to build a global Maintenance, Repair and Overhaul (MRO) hub, while ensuring a 100% FDI allowance and a uniform 5% Goods and Services Tax (GST) rate on aircraft components. Additionally, Production-Linked Incentive (PLI) schemes and regulatory frameworks fuelled indigenous manufacturing while bolstering technological capabilities.[8]

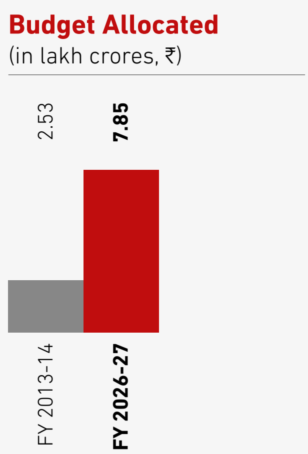
India's aerospace and defence industry is experiencing a structural transformation. The growth is fuelled by a transition from import reliance toward the advancement of national technology and the development of intellectual property while expanding global export presence. Substantial government investments in latest equipment and research will enhance assembly capabilities, thereby driving future-ready solutions. Future growth will be propelled by smart technology adoption, including AI-powered autonomous systems, drones, space-based surveillance and high-tech electronic warfare. India's Union Budget for FY 2026-27 facilitates a structured national security and infrastructure enhancement. This is further reinforced by the allocation of ₹1.85 lakh crore out of the total ₹2.19 lakh crore to promote advanced capital acquisitions including next-generation fighter jets, warships, submarines and unmanned aerial vehicles. In alignment with the nation's self-reliance strategy through the Aatmanirbhar Bharat initiative, approximately 75% of these acquisition funds, estimated at ₹1.39 lakh crore, are legally reserved for domestic defence manufacturers.[9]

₹7.85 lakh crore

Total defence allocation in FY 2026-27 Union Budget

India is rapidly advancing as a major global hub for aircraft manufacturing, assembly and maintenance, supported by its strategic location and robust economic performance. A surge in passenger travel and e-commerce adoption has heightened global aviation demand. The sector has progressed significantly by leveraging advanced technologies in alignment with environmental regulations. Government programs, including the Make in India initiative, have fostered a competitive, innovative and self-reliant aerospace ecosystem that consistently secures international investment. India maintains an operational edge through highly competitive labour costs and optimised execution as compared to the US and Europe. The domestic industry is projected at ₹257.09 billion ($3.06 billion) by 2030, indicating significant long-term growth potential. This momentum is driving a transition from foreign supply chains toward a self-reliant domestic manufacturing network, thereby facilitating localised component production through strategic tech partnerships. Propelled by expanding capabilities and strategic long-term growth, India is positioned to emerge as a premier global aviation hub by 2047.[10]

Indian Defence Budget Growth



Source: *Defence Union Budget 2026-27, Press Information Bureau (PIB)*

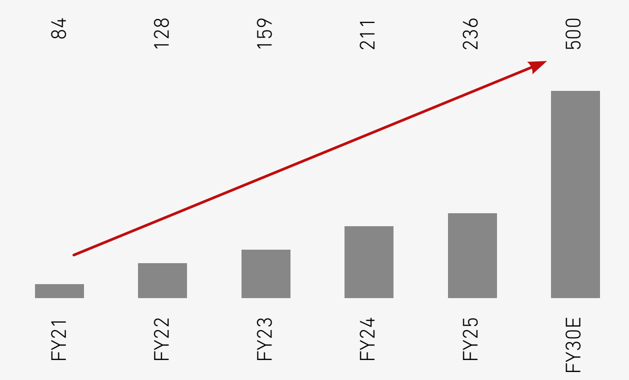
[7] *India Automobile Market Research Report, MarkNtel Advisors*

[8] *https://www.trade.gov/country-commercial-guides/india-aerospace-and-defense*

[9] *https://www.pib.gov.in/PressReleasePage.aspx?PRID=2278207&reg=6&lang=1*

[10] *https://www.pib.gov.in/PressReleasePage.aspx?PRID=2278207&reg=6&lang=1*

Indian Total Defence Exports Targeted to Reach ₹500 Billion by FY 2030



E - Expected

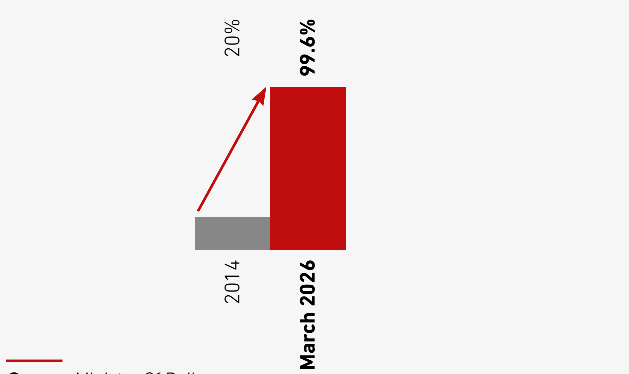
Source: *Balu Forge Industries, Q4 Investor's Presentation Report*

Indian Railways Industry

The Indian Railways sector experienced significant modernisation. During FY 2025-26, Indian Railways accelerated its structural transformation and network advancements, backed by a record capital allocation of ₹2.78 lakh crore. Operational capacity grew expanded significantly, with the network accommodating 741 crore passengers and a record 1,670 million tonnes of freight while achieving 99.6% broad gauge electrification. Infrastructure upgrades elevated over 80% of main route kilometres to support speed requirements of 110 km/h and above. The Make in India initiative is accelerating growth through the expansion of Vande Bharat fleet operations and the introduction of the affordable Amrit Bharat trainsets. Moreover, safety and reliability improved progressively through the deployment of the indigenous Kavach Automatic Train Protection system across 3,100 route kilometres, alongside the implementation of customer-centric initiatives as a part of the Amrit Bharat station redevelopment plan and the adoption of an integrated RailOne digital platform.

Additionally, with the development of AI-enabled station surveillance and structured high-speed rail corridors including Mumbai-Ahmedabad, the sector is powering India's growth and domestic logistics through self-reliant innovation.[11]

India's Electrified Railway Network



Source: *Ministry Of Railways*

Source: *From Steam to Speed: The Ever-Evolving Journey of Railways, PIB*

Growth Drivers

Strategic International Defence Alliances

Expanding diplomatic partnerships and cross-border defence trade agreements enable precision-forging and heavy-machining manufacturers to integrate directly into global supply chains. Strict compliance with global quality standards enables domestic component manufacturers to supply critical forgings such as large-calibre artillery shell casings, armoured vehicle suspension assemblies and military-grade powertrain components to international Original Equipment Manufacturers (OEMs) and allied defence forces, propelling export-led order volumes and cross-border technology exchange.

Policy Support for Domestic Manufacturing

Progressive policy frameworks including Make in India mandates, targeted import restrictions via positive indigenisation lists, and Production-Linked Incentive (PLI) schemes are driving a structural shift toward domestic defence procurement. By restricting the import of critical sub-assemblies and structural components, authorities are encouraging the sourcing of specialised precision forgings, breach mechanisms and heavy-duty drivetrain components from domestic advanced-manufacturing facilities.

Focus on R&D and Technological Self-Reliance

Targeted government capital deployment and public-private research initiatives accelerate technical capabilities across advanced metallurgy, material science and high-precision metal forming. Manufacturers are leveraging these incentives to modernise facilities with automated closed-die forging, multi-axis CNC machining and heat-treatment processing. These tailwinds promote the transition of the domestic industrial base from low-margin forgings to high-value, combat-critical components, including specialised high-density alloys and precision-machined ammunition hardware.

Expanding Private Sector Integration

By adopting advanced robotics, real-time quality inspection and end-to-end machining, private forging enterprises can address high volume and strict precision standard requirements for major defence manufacturers and state-owned enterprises. This technological evolution promotes complex assembly capabilities, thereby ensuring an agile, self-reliant and scalable industrial base.

[11] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc2026415847301.pdf

Company Overview

Established in 1989, Balu Forge Industries Limited (BFIL) initially specialised in the manufacture of crankshafts, forging components and precision-engineered products. Over the decades, the Company has significantly evolved to address dynamic consumer requirements. Its strategic footprint expansion across high-growth sectors including defence, railways and emerging energy vehicles, reinforces its long-term growth potential. To leverage its manufacturing capabilities, BFIL operates an advanced in-house tool room, metallurgical laboratories through specialised design and process teams, while prioritising proactive evaluation and testing units.

The Company delivers a comprehensive portfolio of precision engineering and metal forming, serving diverse global industries. Its diverse product offerings are utilised across traditional internal combustion engines, emerging energy automobiles, industrial and agricultural vehicles, earthmoving machinery in addition to the wind energy sector. Additionally, the Company offers tailored solutions for aerospace, defence, oil and gas, marine operations and railway locomotive segments.

Geographically, BFIL has established a resilient and diversified revenue model with a market presence spanning North America, South America, Europe, Asia, Africa and the Middle East. By consistently maintaining competitive pricing while ensuring the highest quality standards, the Company is well positioned to capitalise on emerging opportunities while driving sustained progress as a reliable global supplier.

80
Countries Served

25
Global OEMs served

4
Manufacturing Units (including one in UAE)

Measures to Strengthen Efficiency and Productivity

- **Advanced Multi-Axis Machining:** The Company has integrated 7-axis and 11-axis multi-axis machining capabilities to enhance product precision, operational efficiency and scalability.
- **Automation in Forging:** Automation in forging has been integrated into the manufacturing process to improve product precision, operational efficiency and scalability.
- **Anti-Vibration Systems:** The Company has integrated anti-vibration systems as part of its manufacturing capabilities to support precision and operational efficiency.
- **Industry 4.0-enabled Automation:** The Company has adopted Industry 4.0-enabled automation, enhancing productivity, accuracy and traceability across operations.

Competitive Advantage

- **Integrated Manufacturing Platform:** The Company operates four facilities across India and the UAE, with integrated forging, heat-treatment and machining lines, supported by hydraulic and mechanical presses, CNC machines and robotic systems.
- **Vertical Integration:** The Company has in-house forging capabilities, with its outsourcing strategy being progressively replaced by captive forging. This strengthens integration across its manufacturing value chain.
- **End-to-End Manufacturing Capabilities:** The Company's integrated manufacturing platform supports capabilities across the value chain, from design and engineering through manufacturing, testing and validation, enabling it to serve global customers.
- **Diversified Product and End-Market Portfolio:** The Company manufactures precision-machined and forged components and serves diverse end-markets including automotive, industrial machinery, power generation, defence and railways.

Growth Drivers

End-to-End Delivery Capabilities The fully integrated manufacturing plant provides comprehensive supply chain capabilities to a global consumer base, enabling disciplined execution across conceptualisation, product design and development through advanced engineering, manufacturing, and evaluation capabilities.

Manufacturing Capability Comprehensive in-house manufacturing capabilities enable the manufacture of a diversified product portfolio with precision and operational excellence. Advanced machinery utilisation and flexible production lines, promote efficient scalability across operations to address complex engineering requirements across varied industrial applications.

Expansion in High-Value Engineering Sectors: The Company expects the revenue contribution from non-automotive sectors to increase as it expands in Defence, Aerospace and Railways, while continuing to grow in traditional sectors, particularly Commercial Vehicles.

Capacity Expansion: The Company plans to progressively increase forging capacity from 100,000 MTPA to 150,000 MTPA and machining capacity from 45,000 MTPA to 80,000 MTPA.

Human Resource

The Company recognises its people as a cornerstone of its operational efficiency, supporting continuous innovation and sustained business growth. Its Human Resources (HR) framework focuses on developing a productive and motivated workforce through talent acquisition, retention and professional development programmes, aligned with its long-term business priorities. BFIL is committed to fostering an equitable, supportive and inclusive workplace, where employees are encouraged to contribute to the Company's long-term progress.

Balu Forge places due emphasis on employee health and safety as part of its operations. The Company follows occupational health and safety practices and measures to maintain a safe and efficient workplace while safeguarding its workforce. Its compliance with ISO 45001:2018 further supports its focus on worker safety and fostering a safe working culture.

Operational Capabilities

Balu Forge has an integrated manufacturing platform covering forging, machining and assembly, supported by advanced manufacturing infrastructure across its facilities. Its forging infrastructure comprises hydraulic hammers and press lines, while its machining operations support the production of precision-engineered components for diverse applications.

The Company has the capability to manufacture components with complex geometries and tight tolerances, supported by advanced machining and automated manufacturing systems. These capabilities enable it to address customised component requirements across its product portfolio.

The Company has also commissioned an automated large-calibre empty-shell production line, with an annual capacity of 360,000 shells, strengthening its specialised manufacturing capabilities.

25T / 16T / 10T

Hydraulic Hammers

8,000T

Mechanical Press

1,000T

Hydraulic Press

360,000

Shells p.a.

Research and Development (R&D)

The Company's dedicated R&D facilities promote consistent innovation and operational excellence in delivering high-precision solutions while maintaining stringent quality control. This systemic framework enhances product performance while optimising manufacturing efficiencies, thereby engineering advanced solutions that consistently address the evolving industry standards.

75

Members of R&D Team

Benefits of R&D

- **Process and Cost Efficiency:** Accelerates production times and minimises expenditure by optimising forging methods, advanced manufacturing and automation capabilities.
- **Compliance and Quality Assurance:** Maintains strict compliance with industry standards in the manufacture of all new and existing products industry standards, thereby mitigating legal risks while maintaining superior quality.
- **Competitive Edge and Reputation:** Drives technological advancements that provide a competitive edge, enabling the Company to consolidate its position as a reliable defence component supplier.
- **Market Expansion:** Promotes product innovation to capitalise on emerging industry opportunities. High-growth opportunities in entirely new sectors.
- **Knowledge and Collaboration:** Develops a structured internal ecosystem that identifies, expands and enhances team expertise to drive sustained innovation.

Quality

Balu Forge Industries Limited (BFIL) is dedicated to maintaining the highest quality standards. The Company engineers' superior quality products in alignment with specific client requirements. By integrating robust Six Sigma methodologies alongside meticulous inspection mechanisms, the Company systematically identifies and eliminates defects to ensure sustained process optimisation. These quality measurement frameworks address sector-specific requirements, thereby ensuring high efficiency and consistent performance across diverse applications. By aligning its operations to stringent Quality Management Systems (QMS) and adhering to recognised global standards, including ISO 9001 and IATF 16949, BFIL delivers product reliability through proactive risk mitigation and long-term operational excellence.

Financial Performance

Consolidated Financial Performance

Profit and Loss Analysis

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25	% Change
Revenue from Operation	1,10,736.69	92,361.74	19.9%
Other Income	3,291.97	1,714.30	92.0%
Total Income	**1,14,028.66**	**94,076.04**	**21.2%**
Total Expenses excl. D&A and Finance Cost	80,782.91	67,251.01	20.12%
EBITDA (Excluding Other Income)	29,953.78	25,110.73	19.3%
Depreciation and Amortisation	995.63	335.07	197.1%
EBIT	28,959.16	24,298.56	19.18%
Finance Cost	1,645.48	1,095.70	50.18%
Profit before Tax (PBT)	30,604.64	25,394.26	20.5%
Profit after Tax (PAT)	25,889.06	20,385.54	27.0%
Net PAT (After Other Comprehensive Profit/Loss)	27,364.27	20,567.99	33.04%

Summary of Balance Sheet

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Equity and Liabilities		
Equity Share Capital	12,139.19	11,076.69
Other Equity	1,47,313.03	94,244.88
Non-current Liabilities	3,217.09	2,111.47
Current Liabilities	22,408.91	17,785.98
Assets		
Property, Plant and Equipment*	82,389.82	60,009.92
Non-current Assets	1,05,694.11	68,450.95
Current Assets	79,384.11	56,768.07

**includes Right-of-use assets, Capital work-in-progress, Goodwill and Other Intangible assets*

Total Revenue

During FY 2025-26, the total revenue of the Company increased by 21.21% from ₹94,076.04 Lakh in FY 2024-25 to ₹1,14,028.66 Lakh in FY 2025-26. The growth was primarily driven by higher sales volumes, emerging market expansion and a diversified product portfolio catering to the automotive, industrial and high-performance engineering sectors.

Employee Benefit Expenses

The Employee benefits expenses augmented by 49.59% from ₹2,352.37 Lakh in FY 2024-25 to an estimated ₹3,518.82 Lakh during the reporting period. This increase indicates greater workforce acquisition to support expanded operations, higher compensation costs while promoting consistent skill development through targeted investments.

Finance Cost

The finance cost increased by 50.18% from ₹1,095.70 Lakh in FY 2024-25 to ₹1,645.48 Lakh in the reported year. The increased was primarily due to additional adhoc facility of Rs.1500.00 lakhs availed from UBI and new working capital facility of Rs.7500.00 lakhs availed from Axis Bank during the year.

Other Expenses

During FY 2025-26, the other expenses of the Company were approximated at ₹6,307.93 Lakh, as compared to ₹4,634.26 Lakh in FY 2024-25. The increased was due to long outstanding sundry debtors balances written off which was not recoverable.

Net Profit

PAT increased by 27.0%, from ₹20,385.54 Lakh in FY 2024-25 to ₹25,889.06 Lakh in FY 2025-26. The steep rise was driven by robust revenue growth, improved operating leverage and efficient cost management.

Non-Current Liabilities

The non-current liabilities of the Company were at ₹3,217.09 Lakh in FY 2025-26 as compared to ₹2,111.47 Lakh in FY 2024-25, The increased is due to availment of lease finance facility for new capex.

Current Liabilities

In FY 2025-26, the current liabilities of the Company were ₹22,408.91 Lakh in comparison to ₹17,785.98 Lakh in FY 2024-25. This growth was propelled by higher trade payables and accruals for operational scalability.

Non-Current Assets

The non-current assets augmented from ₹68,450.95 Lakh in FY 2024-25 to record ₹1,05 694.11 Lakh in FY 2025-26. This significant expansion was constituted by capital expenditure for capacity expansion, equipment installation and long-term infrastructural investments.

Current Assets

The current assets increased from ₹56,768.07 Lakh in FY 2024-25 to ₹79,384.1 1 Lakh in FY 2025-26 propelled by higher receivables and inventories aligning with the Company's revenue growth. Further, the amount of ₹ 150 Crores has been realized till the time of this annual report against the outstanding as on 31st March 2026. Further all the cheques outstanding as on 31st March 2026 were cleared in Q1 of FY 2026 - 2027.

Details of Key Financial Ratios

In compliance with the listing regulations, we have evaluated the key financial ratios against those of the previous financial year. The details and analysis of variations are provided below.

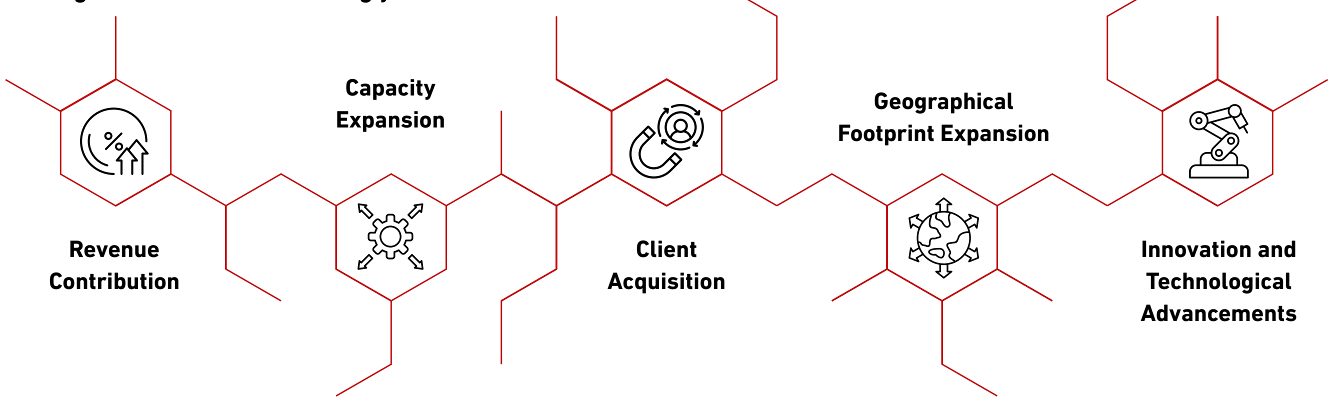
Key Financial Ratios	FY 2025-26	FY 2024-25	Reason for Significant Change, if any
Inventory Turnover Ratio (days)	40	37	Increased in inventory days is due to Increased in scale of operation
Debt Service Coverage Ratio (times)	17.81	14.96	Strong growth in operating profits with reduced finance costs improved coverage significantly.
Current Ratio (times)	3.54	3.12	Increased due to lower current liabilities from trade payables
Debt-Equity Ratio (times)	0.08	0.03	Increase is due to fresh borrowings availed during the year for capital expenditure and working capital
Net Profit Margin	23.38%	22.07%	Improved operational efficiency, cost management, and higher revenue contribution.
Return on Net Worth (RoNW)	16.24%	19.36%	Decline is on account of the increase in capital employed from the equity capital raised during the year, the deployment of which will yield returns in subsequent periods.

Outlook

Balu Forge's 3–5 year strategy focuses on expanding capacity, enhancing technology and strengthening its global presence through organic growth and selective acquisitions, while following a capital-efficient approach. The 46-acre integrated facility at Belagavi, Karnataka, will expand machining capacity to 80,000 TPA by FY27, enabling the Company to cater to high-specification requirements in defence, aerospace and power generation. All the CWIP will capitalise before March, 2027 & the expected asset turnover will be 3.5x-4x.

The Company is also pursuing diversification into precision-led sectors such as defence platforms and aerospace assemblies, supported by advanced materials such as aluminium and titanium. Its capital expenditure roadmap focuses on scaling machining and forging lines, advancing automation and investing in high-value defence and aerospace production.

Strategic Priorities in the coming years



Risk Management

The Company operates with an integrated risk management framework by anticipating potential challenges while safeguarding its operations to ensure seamless business continuity. The risk assessment and management model functions at multiple levels by incorporating combining both top-down and bottom-up approaches to address risks effectively.

Risk	Risk Description	Mitigation Strategy
Macroeconomic and Market Volatility	A dynamic economic environment including fluctuating inflation, interest rates and crude oil prices directly impacts financial health and industry operations by altering cost structures and consumer demand.	To mitigate input cost volatility and market cyclicality, the Company utilises dynamic pricing, long-term strategic sourcing and geographic market diversification to ensure margin stability and business resilience.
Capital Structure Risks	Exposure to financial volatility, including credit constraints, cash flow pressures, currency fluctuations and debt obligations, poses significant risks for organisational stability and operational continuity.	Financial resilience is maintained through a low-leverage capital structure, favourable cash flows and disciplined working capital management. Foreign exchange risks are mitigated via strategic offsets and hedging, while diversified funding ensures long-term liquidity.
Competitive Pressures	Intensifying competition from both domestic and global market participants hinders top-line progress and exerts profit margin pressures.	Competitive advantage is sustained through tech-led manufacturing, consistent product innovation, and strong OEM partnerships, alongside strategic expansion into high-growth sectors including defence and aerospace.
Supply Chain Tensions	Operational disruptions including inventory loss, labour instability and unprecedented facility downtime jeopardise BFIL's manufacturing efficiency, production output and financial performance.	Operational resilience is bolstered by robust internal controls, preventive maintenance and strict security protocols. Enduring industrial relations, proactive workforce engagement and systemic business continuity frameworks further safeguard ongoing operations.
Cybersecurity Risk	Vulnerabilities in operational security, alongside cybersecurity threats and data leaks, can adversely impact information accuracy and interrupt critical business operations.	Information assets are protected through advanced network security, intrusion detection and data encryption. Adherence to global cybersecurity standards and continuous employee training ensure strong operational resilience.
Brand Equity Risk	Brand equity and market standing are exposed to risks from adverse publicity, product quality defects, and undermined credibility which can impact overall enterprise value and market competitiveness.	Product excellence and stakeholder trust are maintained through strict adherence to global quality standards, transparent engagement and targeted CSR initiatives. Proactive media monitoring and formal grievance mechanisms ensure prompt mitigation of reputational risks.
Environmental Risk	Environmental vulnerabilities from business operations pose material risks to overall productivity, financial performance and long-term enterprise viability.	The Company is committed to its ESG framework and aims to achieve carbon neutrality by 2040, 100% renewable energy utilisation by 2035 while ensuring Zero Liquid Discharge by 2030. Investments in clean technologies, resource efficiency and water conservation drive environmentally responsible operations and efficient regulatory compliance.
Compliance Risk	Evolving government policies, pending tax disputes and active litigation pose significant compliance headwinds that could undermine financial sustainability while declining competitiveness. .	Adherence to applicable laws is ensured through a robust compliance framework, guided by internal teams and external experts. Periodic legal reviews, proactive regulatory engagement and transparent disclosures minimise compliance risks, in alignment with high governance standards.

Internal Control Systems and Adequacy

The Company has in place a sound internal control system designed to meet its specific requirements. The effectiveness of this framework is overseen by the Board of Directors to ensure accurate financial reporting, regulatory compliance, and the safeguarding of assets. These controls are aligned with applicable regulations and are subject to regular review by the Internal Audit function. This independent function reports directly to the Audit Committee, identifies potential risks, and ensures that operations are conducted in line with established policies and procedures.

Cautionary Statement

The MDA section includes forward-looking statements about the Company and its future prospects. These statements involve certain known and unknown risks and uncertainties that may affect actual outcomes. The Company is also subject to unforeseen and changing risks within its operating environment. The assumptions in this report are based on both internal and external information and form the basis for the facts and figures presented. It should be recognised that such assumptions may change over time, which could lead to revisions in the related estimates. The forward-looking statements reflect the Company's present intentions, beliefs or expectations and are valid only as of the date made. The Company has no obligation to update or revise these statements in light of new information, future events or changing circumstances.

Directors' Report

Dear Shareholders,

The Board of Directors is pleased to present the 37th Annual Report of Balu Forge Industries Limited ("the Company") together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026.

FINANCIAL RESULTS

The Company's financial performance during the year ended 31st March, 2026 compared to the previous financial year is summarised below:

(₹ in Lakhs)

Description	Standalone		Consolidated	
	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations	64,742.26	59,847.65	1,10,736.69	92361.74
Other Income	3,329.35	1,743.43	3,291.97	1,714.30
Total Revenue	**68,071.61**	**61,591.08**	**1,14,028.66**	**94,076.04**
Total Expenses	48,035.26	43,159.39	83,424.02	68,681.78
Profit before tax and exceptional items	20,036.35	18,431.69	30,604.64	25,394.26
Profit before tax	20,036.35	18,431.69	30,604.64	25,394.26
Tax expense	4,715.58	5,008.72	4,715.58	5,008.72
Net Profit after tax	15,320.77	13,422.97	25,889.06	20,385.54
Other Comprehensive expense/ (Income), net of Income tax	(0.41)	(4.74)	1,475.21	182.45
Balance Transferred to Reserve	15,320.36	13,418.23	27,364.27	20,567.99

The Financial Statements for the year ended 31st March, 2026 have been prepared as per the Indian Accounting Standards (Ind AS).

REVIEW OF OPERATIONS

During the financial year ended 31st March, 2026, the Company has recorded, on standalone basis, total revenue of ₹ 68,071.61 Lakhs and the Company have earned Net Profit of ₹ 15,320.77 Lakhs as compared to ₹ 61,591.08 Lakhs and ₹ 13,422.97 Lakhs of the previous year, respectively.

On consolidated basis, the Company achieved total revenue of ₹ 1,14,028.66 Lakhs and the Company has earned Net Profit of ₹ 25,889.06 Lakhs as compared to previous year total revenue of ₹ 94,076.04 Lakhs and Net Profit of ₹ 20,385.54 Lakhs.

There was no change in nature of business of the Company, during the year under review.

OPERATIONAL HIGHLIGHTS

Consolidated revenue from operations increased by 19.9% to ₹ 11,074 million in FY 2025–26, compared with ₹ 9,236 million in the previous year, an absolute increase of ₹ 1,838 million. This growth was supported by three key factors. First, capacity commissioned during the preceding period was available for a larger part of the year, enabling the Company to fulfil a greater proportion of customer schedules. Second, the revenue mix continued to shift from forged-only components towards fully machined products. Third, the Company strengthened its presence in higher-value end-user segments, particularly defence, railways and industrial applications, while its established commercial vehicle and off-highway equipment businesses continued to grow in absolute terms. Total income, including other income, increased by 21.2% to ₹ 11,403 million.

Raw material cost stood at ₹ 7,096 million, representing 64.1% of revenue, compared with ₹ 6,026 million or 65.2% of revenue in the previous year. Consequently, gross contribution improved by 116 basis points to 35.9% from 34.8%. This improvement reflected the increasing share of fully machined products in the revenue mix, where a larger portion of the selling price represents value-added conversion rather than the underlying metal cost. Continued focus on material yield, scrap recovery and disciplined procurement of alloy steel also contributed to the improvement.

Employee and other operating expenses increased by 40.6% to ₹ 983 million from ₹ 699 million, outpacing revenue growth of 19.9%. As a result, these expenses increased to 8.9% of revenue from 7.6% in the previous year. The increase of 131 basis points primarily reflected the cost of operating the Company's significantly expanded manufacturing footprint and largely offset the improvement achieved at the gross contribution level.

Despite these additional operating costs, EBITDA increased by 19.3% to ₹ 2,995 million from ₹ 2,511 million. The EBITDA margin remained broadly stable at 27.0%, compared with 27.2% in the previous year. This performance reflects the Company's ability to maintain margins while absorbing the operating costs associated with newly commissioned capacity that is yet to achieve optimum utilisation. EBITDA has been calculated as revenue from operations less operating expenditure and excludes other income. A reconciliation of EBITDA with profit before tax is provided below.

Finance costs increased by 50.0% to ₹ 165 million from ₹ 110 million, while depreciation and amortisation rose to ₹ 100 million from ₹ 34 million. These increases were mainly attributable to the funding and capitalisation of assets commissioned during the year. Interest coverage, measured as EBIT divided by finance cost, moderated to 17.5 times from 22.5 times but continued to remain comfortable.

Capital work-in-progress as at 31 March 2026 stood at ₹ 27,730.67 Lakhs. Depreciation on these assets will commence progressively as they are completed and made available for use.

Basic earnings per share increased by 24.2% to ₹ 23.90 from ₹ 19.24 in the previous year. Diluted earnings per share stood at ₹ 23.90, compared with ₹ 18.38 in the previous year. Earnings per share have been calculated based on equity shares having a face value of ₹ 2 each.

FUTURE OUTLOOK

The Company enters FY 2026–27 with an expanded manufacturing base, enhanced precision-engineering capabilities and a diversified portfolio serving automotive, defence, aerospace, railways, oil and gas, power generation, heavy engineering and other industrial applications. The progressive ramp-up of the new manufacturing facilities, including advanced forging equipment and multi-axis CNC machining lines, is expected to strengthen the Company's ability to manufacture larger, more complex and higher-value components.

The Company will continue to focus on increasing the proportion of fully machined and value-added products in its revenue mix. The commercialisation of the indigenous empty-shell manufacturing line, development of new defence and aerospace components, and access to international defence supply chains provide opportunities for building long-term customer relationships in strategically important sectors. The Company also intends to deepen its presence in established automotive and industrial markets while expanding its engagement with customers across Europe, the Middle East and other international markets. (bsmedia.business-standard.com)

Technology, innovation and operational excellence will remain central to the Company's growth strategy. Continued investment in automation, Industry 4.0-enabled manufacturing, product engineering, alloy development, process optimisation and quality-assurance infrastructure is expected to improve productivity, precision, traceability and speed of product development. The integration of forging, machining, heat treatment, testing and related capabilities within the Company's manufacturing platform is also expected to improve supply-chain control and execution efficiency.

The operating environment may remain influenced by geopolitical uncertainties, fluctuations in raw-material and energy prices, foreign-exchange movements, changes in global trade policies and the timing of customer approvals and order execution. The Company will continue to manage these factors through a diversified customer and sector base, disciplined capital allocation, localisation of critical processes, prudent working-capital management and continued strengthening of its risk-management framework.

With expanded capacities, growing participation in high-value sectors, established export relationships and a strong engineering foundation, the Company remains cautiously optimistic about its medium- to long-term prospects. Its priorities will be to ramp up the newly commissioned capacities efficiently, convert product-development programmes and customer approvals into sustainable business, maintain financial discipline and pursue growth that creates enduring value for all stakeholders.

CREDIT RATING:

ICRA Limited has revised its Credit rating during the year, for its bank facilities as follows:

Sr. No.	INSTRUMENT	RATING
1.	Long-term-Fund-based-Term loan	[ICRA]A-(Stable); Assigned
2.	Long-term/Short-term-Fund-based/non-fund based-Working Capital Facilities	[ICRA]A-(Stable)/[ICRA] A2+; Reaffirmed/ Assigned for enhanced amount
3.	Long-term/Short-term-Unallocated limits-Unallocated limits	[ICRA]A-(Stable)/[ICRA] A2+; Assigned
4.	Short-term-Non-fund based Facilities	[ICRA]A2+; Assigned

The above rating reflects the overall improvement in the credit risk profile of the company backed by strong growth in scale of operations and healthy profitability.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire profit generated during the year under review, in the profit and loss reserve account. Accordingly, it is not proposed to transfer any amount to the 'Reserves' from the profit for the year ended 31st March, 2026.

DIVIDEND

The Board of Directors at their meeting held on September 07, 2026, has recommended payment of ₹ 0.15/- at the rate of 1.5% per fully paid-up equity share of the face value of ₹10/- each as final dividend for the financial year ended March 31, 2026. The payment of the final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company. The dividend shall be paid to those shareholders whose name appear in the Register of Members as on the Record Date, on approval by the members at the AGM.

The proposed dividend been recommended in accordance with the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTION POLICY

The Company has in place a Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the same is available on the Company's website at https://www.baluindustries.com/corporate-governance.php

UTILISATION OF PREFERENTIAL ALLOTMENT PROCEEDS

The proceeds of funds raised under preferential issue have been fully utilized as per Objects of the Issue. The disclosure in compliance with the Regulation 32(7A) of the SEBI Listing Regulations and detailed utilization are provided in the Corporate Governance Report which forms part of this Report.

CHANGES IN SHARE CAPITAL:

Increase in Authorised Share Capital of the Company

During the financial year 2025-26, there was no change in the Authorised Share Capital of the Company.

Issue and Allotment of Equity Shares & Warrants on Preferential Basis

During the financial year 2025-26, the Company issued and allotted equity shares pursuant to the exercise of rights attached with Convertible Warrants issued on a preferential basis. The details of the equity shares allotted upon conversion/exercise of the said warrants are as follows:

Sr. No.	Date of Allotment	Particulars of Equity Shares Allotted	Category of Allottee	Issue Price per Equity Share (₹)	Securities Premium per Share (₹)
1.	03.04.2025	13,25,000	Promoter	183.60	173.60
2.	24.05.2025	19,00,000	Non-Promoter	360.00	350.00
3.	30.12.2025	10,00,000	Non-Promoter	360.00	350.00
4.	09.02.2026	10,00,000	Non-Promoter	360.00	350.00
5.	25.02.2026	16,30,000	Non-Promoter	360.00	350.00
6.	06.03.2026	20,60,000	Promoter & Non-Promoter	360.00	350.00
7.	09.03.2026	17,10,000	Promoter & Non-Promoter	360.00	350.00

Share capital as on 31st March, 2026

The Authorised Share Capital of the company as on 31st March, 2026 is ₹ 1,25,00,00,000/- (Rupees One Hundred and Twenty-Five Crore Only) divided into 12,50,00,000/- (Twelve Crore and Fifty Lakh) Equity Shares of ₹ 10/- (Rupees Ten only). The paid-up Equity Share Capital as on 31st March, 2026 is ₹ 1,21,39,19,000/- (Rupees One Hundred and Twenty-one Crore Thirty-nine Lakh Nineteen thousand only) divided into 12,13,91,900 (Twelve Crore Thirteen Lakh Ninety-one Thousand Nine hundred) Equity Shares of ₹ 10/- each.

The Company has, during the year under review, neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares and issue shares under Employees Stock Option Scheme as per provisions of Section 62 (1) (b) of the Companies Act, 2013 ("the Act") read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules 2014.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of the Companies Act, 2013, including the relevant Indian Accounting Standards (Ind AS) as issued by the Institute of Chartered Accountants of India and notified under Section 133 of the Act and as required under Regulation 34 of the SEBI Listing Regulations this Annual Report includes Consolidated Financial Statements for the financial year 2025-26.

REPORT ON PERFORMANCE OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has in total Three (3) Subsidiaries of which Two (2) are Indian and One (1) Overseas and One (1) Associate Company: -

1. Quantum Energetics Private Limited (WOS)
   *(formerly known as Naya Energy Works Private Limited)
2. Balu Advanced Technologies & Systems Private Limited (WOS)
3. Safa Otomotiv FZ – LLC in Dubai (WOS)
4. *Swan Balu Heavy Industries Limited ("SBHIPL") – Associate Company
   ** SBHIPL was incorporated in 20th April, 2025 as SPV Company with Swan Energy Limited. The Company holds 40% equity in SBHIPL, pursuant to the said Investment, SBHIPL has become the Associate of Balu Forge Industries Limited w.e.f. 23rd June, 2025..*

The Company does not have any Joint Venture within the meaning of Section 2(6) of the Act. No material change has taken place in the nature of business of the subsidiaries.

Pursuant to the first proviso to Section 129(3) of the Act read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements and performance of each subsidiary in **Form AOC-1** is disclosed under **Annexure-A** and forms part of this Report.

In accordance with the provisions of Section 136 of the Act and amendments thereto and the SEBI Listing Regulations. the standalone and consolidated financial statements of the Company, and separate audited financial statements in respect of subsidiaries are available on the website of the Company under web link https://www.baluindustries.com/financial-information.php

The Company has formulated a Policy for determining material subsidiaries. The said policy is available on the website of the Company at https://www.baluindustries.com/corporate-governance.php

UNCLAIMED AND UNPAID DIVIDENDS AND TRANSFER OF SHARES TO IEPF

Pursuant to Section 124 and 125 of the Act read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), as amended from time to time, all dividends remaining unpaid or unclaimed for a period of 7 years and also the shares in respect of which the dividend has not been claimed by the shareholders for 7 consecutive years or more are required to be transferred to Investor Education Protection Fund (IEPF) in accordance with the procedure prescribed in the Rules.

During the year under review, there was no transfer of unclaimed and unpaid dividend and equity shares to the Investor Education and Protection Fund in terms of Section 125 of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided during the year under review and as covered under the provisions of Section 186 of the Act have been disclosed in the notes to the standalone financial statements forming part of the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Act, in relation to audited financial statements of the Company for the year ended 31st March, 2026; the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2026 and of the profit of the Company for the year under review;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the accounts for the financial year ended 31st March, 2026 on a going concern basis;

e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

The Company has not accepted any deposits within the meaning of sub-section (31) of Section 2 and Section 73 of the Act and the Rules framed thereunder. As on 31st March 2026, there were no deposits lying unpaid or unclaimed.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Composition of the Board of Directors

As on 31st March 2026, the Board of Directors of the Company comprised of Seven Directors, of which three are Executive Directors, and four are Independent Directors (including one Women Director). The constitution of the Board of Directors of the Company is in accordance with Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations and changes in Key Managerial Personnel of the Company as prescribed under Section 203 of the Act, as amended from time to time. The details of the directors are given in the Corporate Governance Report forming part of the Annual Report.

Following changes have taken place in the Board of Directors and Key Managerial Personnel:

1. Mr. Roop Lal Meena (DIN: 10938270) was appointed as an Independent Director of the Company with effect from 07th February, 2025.

2. Mr. Raghvendra Raj Mehta (DIN: 01947378), Independent Director, pursuant to the provisions of Regulation 17 of the SEBI Listing Regulations, vacated his office on attainment of 75 years on 6th May, 2026.

3. Mr. Amit Ashok Todkari, ceased to be a Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 25th May, 2026.

   Subsequently, Mr. Sandeep Singh Chadha was appointed as the Interim Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 26th May, 2026, in accordance with the provisions of Section 203 of the Act.

4. Mr. Radhey Shyam Soni (DIN: 07962657) and Ms. Shalu Laxmanraj Bhandari (DIN: 00012556) were appointed as an Independent Directors of the Company by the Members at the 32nd Annual General Meeting held on 28th September, 2021, for a first term of five consecutive years commencing from 30th June, 2021 up to 29th June, 2026.

Upon completion of their first term and pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Members of the Company, by way of a Special Resolutions passed through Postal Ballot pursuant to the Postal Ballot Notice dated 26th May, 2026, approved the re-appointment of Mr. Radhey Shyam Soni and Ms. Shalu Laxmanraj Bhandari as an Independent Directors of the Company for a second consecutive term of two years, commencing from 30th June 30, 2026 up to 29th June, 2028, not liable to retire by rotation.

Retirement of Directors by Rotation

Pursuant to the provisions of Section 152 of the Act read with the relevant rules made thereunder, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the AGM.

Mr. Trimaan Jaspalsingh Chandock, (DIN: 02853445), Whole time Director, being longest in the office is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Pursuant to Regulation 36 of the SEBI Listing Regulations read with Secretarial Standard-2 on General Meetings, a brief profile of Mr. Trimaan Jaspalsingh Chandock, is provided as an Annexure to the Notice of the AGM. The Board recommends his reappointment

DECLARATION OF INDEPENDENT DIRECTORS

In accordance with Section 149(7) of the Act, and Regulation 25(8) of the SEBI Listing Regulations, as amended, each Independent Director of the Company has provided a written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act read with the Schedules and Rules issued thereunder as well as the SEBI Listing Regulations and are independent from Management.

All the Independent Directors of the Company have enrolled their names in the online database of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization program aims to provide Independent Directors with the industry scenario, the socioeconomic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner.

The familiarization program also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes, also directors are regularly briefed on the regulatory changes and legal updates applicable to the Company. This facilitates Board interaction and engagement with the Senior Management team.

The details of the training and familiarisation programmes arranged by the Company during FY 2025-26 are disclosed on the Company's website under the web-link https://www.baluindustries.com/corporate-governance.php

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met Six (6) times during the financial year under review. The details of the Board meetings and attendance of each Director thereat are provided in the Corporate Governance Report forming part of the Annual Report.

The periodicity between two Board Meetings was within the maximum time gap as prescribed in the SEBI Listing Regulations and the Act.

Audit Committee

The Audit Committee of the Company is constituted/re-constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act.

The Composition of the Audit Committee is as under:

Sr. No.	Member's name	Category	Designation
1.	Mr. Radhey Shyam Soni*	Independent Director	Chairman
2.	Ms. Shalu Laxman raj Bhandari	Independent Director	Member
3.	Mr. Trimaan Chandock	Whole Time Director	Member
4.	Mr. Roop Lal Meena^	Independent Director	Member

** Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Audit Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Audit Committee w.e.f. 22nd May, 2026.*

^ Mr. Roop Lal Meena, was inducted as the Member of the Audit Committee w.e.f. 07th August, 2025.

The terms of reference of the Audit Committee and the details of meetings held, and attendance of Committee Members are provided in the Corporate Governance Report forming part of the Annual Report.

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

The Statutory Auditors, Internal Auditor and Whole Time Directors/Chief Financial Officer are being invited to the meeting as and when required.

Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, interalia other matters recommend the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial personnel and Senior Management Personnel of the Company, as per the Remuneration Policy, is also overseen by this Committee.

The composition of the Nomination and Remuneration Committee is in conformity with the provisions of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

The Composition of the Nomination and Remuneration Committee is as under:

Sr. No.	Member's name	Category	Designation
1.	Mr. Radhey Shyam Soni*	Independent Director	Chairman
2.	Ms. Shalu Laxmanraj Bhandari	Independent Director	Member
3.	Mr. Roop Lal Meena^	Independent Director	Member

** Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Nomination and Remuneration Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Nomination and Remuneration Committee w.e.f. 22nd May, 2026.*

^ Mr. Roop Lal Meena, was inducted as the Member of the Nomination and Remuneration Committee w.e.f. 07th August, 2025.

The terms of reference of the Nomination and Remuneration Committee and the details of meetings held, and attendance of Committee Members are provided in the Corporate Governance Report forming part of the Annual Report.

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

The Company has formulated a Nomination and Remuneration Policy dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and other employees of the Company.

The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as required under sub-section (3) of Section 178 of the Act and the SEBI Listing Regulations.

The Nomination and Remuneration Policy of the Company is available on the Company's website under the web link https://www.baluindustries.com/corporate-governance.php

Stakeholders' Relationship Committee

The Stakeholders Relationship Committee has been constituted by the Board of Directors in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

The scope of the Shareholders/ investors Grievance Committee is to review and address the grievance of the shareholders in respect of share transfers, transmission, non-receipt of annual report, non-receipt of dividend etc., and other related activities. In addition, the Committee also looks into matters which can facilitate better investor's services and relations.

The Composition of the Stakeholders' Relationship Committee is as under:

Sr. No.	Member's name	Category	Designation
1.	Mr. Radhey Shyam Soni*	Independent Director	Chairman
2.	Mr. Trimaan Chandock#	Whole Time Director	Member
3.	Mr. Roop Lal Meena^	Independent Director	Member

** Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Stakeholders' Relationship Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Stakeholders' Relationship Committee w.e.f. 22nd May, 2026.*

 # Ms. Shalu Laxmanraj Bhandari, Independent Director of the Company, ceased to be a Committee Member of the Stakeholders Relationship Committee, w.e.f. 30th May 2026. Mr. Trimaan Chandock, Whole Time Director of the Company was appointed as Member of the Committee w.e.f. 30th May, 2026.

^ Mr. Roop Lal Meena, was inducted as the Member of the Stakeholders' Relationship Committee w.e.f. 07th August, 2025.

The brief terms of reference of the Stakeholders' Relationship Committee and details of meetings held and attendance of Committee Members are provided in the Corporate Governance Report forming part of the Annual Report.

Risk Management Committee:

Pursuant to Regulation 21 of the SEBI Listing Regulations, the Board constituted Risk Management Committee to frame, implement and monitor risk management plan of the Company. The Board has adopted the Risk Management Policy and framework to mitigate foreseeable risks, avoid events, situations or circumstances, which may lead to negative consequences on the Company's businesses. The major risks identified are systematically approached through mitigating actions on continual basis. Risk evaluation is an ongoing and continuous process within the Company, and it is regularly updated to the Board of the Company.

The Risk Management Committee is duly constituted, during the year under review. The Committee has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise-wide risk management framework. A detailed analysis of the business risks and opportunities is given under Management Discussion and Analysis Report.

The Composition of the Risk Management Committee is as under:

Sr. No.	Member's name	Category	Designation
1.	Mr. Trimaan Chandock	Whole Time Director	Chairman
2.	Mr. Jaikaran Chandock	Whole Time Director	Member
3.	Mr. Radhey Shyam Soni	Independent Director	Member

The brief terms of reference, particulars of meetings held, and attendance of Committee Members are provided in the Corporate Governance Report forming part of the Annual Report.

Corporate Social Responsibility Committee:

In accordance with the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of the Company has constituted Corporate Social Responsibility (CSR) Committee.

One of the key focus areas of the Committee is to make CSR to play a vital role and provide a reasonable contribution to the society by entering into sustainable programs of high impact and integrity. The CSR Committee reviews and monitors the CSR projects and expenditure undertaken by the Company on a regular basis and apprises the Board of the same.

The brief outline of the Company's CSR initiatives undertaken during the year under review is furnished in "**Annexure-B**" in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The Company's CSR Policy is placed on the website of the Company https://www.baluindustries.com/corporate-governance.php

The Composition of the Corporate Social Responsibility Committee is as under:

Sr. No.	Member's name	Category	Designation
1.	Mr. Radhey Shyam Soni*	Independent Director	Chairman
2.	Mr. Trimaan Chandock	Whole Time Director	Member
3.	Mr. Jaikaran Chandock	Whole Time Director	Member

** Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Corporate Social Responsibility Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Corporate Social Responsibility Committee w.e.f. 22nd May, 2026.*

The brief terms of reference, particulars of meetings held, and attendance of Committee Members are provided in the Corporate Governance Report forming part of the Annual Report.

ATTRIBUTES, QUALIFICATIONS & INDEPENDENCE OF DIRECTORS, THEIR APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

Pursuant to the provisions of the Act and as per the SEBI Listing Regulations, the Board of Directors carried out annual performance evaluation of its own performance, individual directors as well as the working of its committees.

The performance of the Board as a whole and of its committees was evaluated by the Board through structured questionnaire which covered various aspects such as adequacy of composition of Board and its Committees, execution and performance of specific duties and obligations, preparedness and participation in discussions, quality of inputs, effectiveness of the functions allocated, relationship with management, appropriateness and timeliness of information etc.

Taking into consideration the responses received from the Individual Directors to the questionnaire, the performance of the Board and its Committees was evaluated. The Directors have expressed their satisfaction with the constitution of the Board and its Committees and performance of each of the directors.

In terms of requirements of Schedule IV of the Act, a separate meeting of Independent Directors of the Company was held on Thursday, 12th February, 2026 to review:

- The performance of non-independent directors and the Board as a whole and its committees thereof;
- The performance of the Chairman of the Company, taking into account the views of executive directors and nonexecutive directors;
- To assess the quality, quantity and timeliness of the flow of information between the Management and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

PARTICULARS OF EMPLOYEES

In terms of the requirements of sub-section (12) of Section 197 of the Act read with sub-rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the disclosures pertaining to the remuneration and other details, are annexed to this Report as "**Annexure – C**".

In terms of Section 136(1) of the Act, details of employee remuneration as required under provision of Section 197 of the Companies Act, 2013 and rule 5 (2) and rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection and any member interested in obtaining a copy of the same may write to Company at compliance@baluindustries.com.

RELATED PARTY TRANSACTIONS

The Audit Committee reviews all the related party transactions and subsequent modifications and Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis specifying the nature, value and terms & conditions of the transactions.

During the year under review, all the transactions entered into by the Company with the Related Parties were at arm's length and in the ordinary course of business. These transactions were pre-approved by the Independent Directors of the Audit Committee. The transactions entered by the Company with the related parties during the year were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. The details of actual transactions were reviewed by the Audit Committee on a quarterly basis.

During the FY 2025-26, your Company did not enter into any material related party transactions. Accordingly, disclosure with respect to the same in the form AOC- 2 in terms of Section 134 of the Companies Act, 2013 is not furnished.

During the year under review, Policy on Related Party Transactions in compliance with the requirements of Companies Act, 2013 and amendment to SEBI Listing Regulations, is available on the website of the Company https://www.baluindustries.com/corporate-governance.php

IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has formulated a policy and process for risk management. The Company has set up a core group of leadership team, which identifies, assesses the risks and the trends, exposure and potential impact analysis at different level and lays down the procedure for minimization of risks. Risk Management forms an integral part of Management policy and is an ongoing process integrated with the operations.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and in accordance with Regulation 22 of the SEBI Listing Regulations, the Company had adopted 'Vigil Mechanism Policy' for Directors, Employees and other Stakeholders of the Company to report concerns about unethical behavior.

The policy provides a mechanism, which ensures adequate safeguards to Employees, Directors and other stakeholders from any victimization on raising concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, and so on. The employees of the Company have the right/option to report their concern/grievance to Chairperson of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism Policy is hosted on the Company's website https://www.baluindustries.com/ corporate governance.php

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system has been established on values of integrity and operational excellence and it supports the vision of the Company "To be the most sustainable and competitive Company in our industry". The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

The details of the internal financial control systems and their adequacy are included in the Management Discussions and Analysis Report, which forms part of the Annual Report.

AUDITORS AND REPORTS

The matters relating to the Auditors and their Reports are as under:

STATUTORY AUDITORS

The Statutory Auditors M/s. M.B. Agrawal & Co., Chartered Accountants (Firm's Reg. No.100137W), were re-appointed as Statutory Auditors of the Company at the 36th Annual General Meeting held on 29th September 2025 to hold office till the conclusion of 41st Annual General Meeting of the Company. The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended 31st March, 2026. The said Auditors' Report for the financial year ended 31st March, 2026 on the financial statements of the Company forms part of this Annual Report.

Observations of Statutory Auditors on Accounts for the year ended 31st March, 2026

The Auditors Report for the financial year ended 31st March, 2026 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Act.

The Auditors have not reported any matter to the Company required to be disclosed under Section 143(12) of the Act.

INTERNAL AUDITORS

During the year the Board of Directors has re- appointed M/s Mehta Singhvi & Associates, Chartered Accountants (Registration No. 122217W) as Internal Auditors of the Company. The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each year in consultation with the Audit Committee. These audits are based on risk- based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances.

Cost Auditors:

The provisions of Section 148(1) of the Companies Act, 2013 are applicable to the Company and accordingly the Company has maintained cost accounts and records in respect of the applicable products for the year ended 31st March, 2026.

The Board, on the recommendation of the Audit Committee, at its meeting held on September 07, 2026, has approved the appointment of M/s. S K Agarwal & Associates, Cost and Management Consultants, (Firm Registration No.: 100322) as the Cost Auditors for the Company for the financial year ending March 31, 2027, at a remuneration of H 3,50,000/- plus taxes and out of pocket expenses. They have confirmed that they are free from any disqualifications under Section 141 of the Companies Act, 2013.

A proposal for ratification of remuneration of the Cost Auditor for the FY 2026-27 is placed before the Shareholders for approval in the ensuing AGM.

Secretarial Auditors

M/s. Prachi Bansal and Associates, Practicing Company Secretaries (Firm Registration Number: I2020HR20935) were re-appointed as the Secretarial Auditors of the Company at the 36th Annual General Meeting held on 29th September, 2025 to hold office from 01st April, 2025 till 31st March, 2030.

The Secretarial Audit Report in Form MR-3 for FY 2025-26 is attached as "**Annexure – D**" forming part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or disclaimer or adverse remark.

Reporting of fraud by auditors

During the year under review, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act to the Audit Committee.

OTHER DISCLOSURES

Annual Return

In terms of Section 92(3) of the Act read with Section 134(3)(a) of the Act, the Annual Return of the Company as on 31st March, 2026 is available on the Company's website at https://www.baluindustries.com.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company has strong commitment towards conservation of energy, natural resources and adoption of latest technology in its areas of operation. The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under clause (m) of sub-section (3) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed to this Report as "**Annexure-E**".

Report on Corporate Governance

In terms of Regulation 34 of the SEBI Listing Regulations, a separate section on Corporate Governance with a detailed report on Corporate Governance is provided as a separate section in the Annual Report and a certificate from Aabid Mohammed Partner of M/s. Aabid & Co., Practicing Company Secretaries, is certifying compliance of conditions of Corporate Governance as stipulated under the SEBI Listing Regulations, forms part of this Annual Report. The Report on Corporate Governance also contains disclosures as required under the Companies Act, 2013.

Business Responsibility and Sustainability Report (BRSR)

In accordance with the provisions of Regulation 34 of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") forms a part of this Annual

Report describing the initiatives undertaken by the Company from an environmental, social and governance perspective during the year under review.

Management Discussion Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI Listing Regulations is provided as a separate section in the Annual Report.

Secretarial Standards Compliance

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Act.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during FY 2025-26 are as follows:

No. of complaints of sexual harassment received during the year;	0
No. of complaints disposed off during the year;	0
No. of complaints pending as on 31st March, 2026	0

Adherence to provisions of the Maternity Benefit Act, 1961:

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961, including those relating to maternity leave, benefits, and safeguards for female employees.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions for the same during the year under review:

1. Material Changes and/or commitment that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this report;
2. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future;
3. Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with rules 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
4. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-Time Directors of the Company;
5. Revision of the financial statements pertaining to previous financial periods during the financial year under review;
6. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year;
7. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank Company's employees at all levels for their hard work and commitment. Your Board also places on record its sincere appreciation for the continued support received from the customers, members, suppliers, bankers, financial institutions and all other business partners/associates.

By Order of the Board
For **Balu Forge Industries Limited**

Sd/-
Jaspalsingh Chandock
Chairman and Managing Director
DIN No.: 0813218

Place: Mumbai
Date: September 07, 2026

Registered Office:
506, 5th Floor, Imperial palace,
45 Telly Park Road, Andheri (East),
Mumbai, 400069, Maharashtra, India

Annexure 'A' to Directors' Report –AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES /ASSOCIATES COMPANIES/JOINT VENTURES [PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014]

Part "A": Subsidiaries

1	2	3	4	5
Sl. No.	**Name of the subsidiary**	**Quantum Energetics Private Limited (Naya Energy Works Private Limited)**	**Balu Advanced Technologies & Systems Private Limited**	**Safa Otomotiv FZ-LLC***
1	Date since when subsidiary was acquired/incorporated	07-07-2021	15-07-2021	17-01-2021
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	01.01.2025 to 31.12.2025 (Calendar Year)
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	Reporting Currency: - AED Exchange Rate: - 23.2837
4	Share capital	1,00,000	1,00,000	30,33,240.00
5	Reserves & surplus	(3,72,671)	(3,57,304)	2,24,86,09,112
6	Total assets	31,479	33,246	2,68,45,07,398
7	Total Liabilities	31,479	33,246	2,68,45,07,398
8	Investments	0	0	-
9	Turnover	0	0	4,86,15,12,255
10	Profit/Loss before taxation	(86,546)	(76,269)	1,05,69,92,429
11	Provision for taxation	0	0	-
12	Profit/Loss after taxation	(86,546)	(76,269)	1,05,69,92,429
13	Proposed Dividend	0	0	-
14	Percentage of shareholding (%)	100	100	100

** The company operates an assembly unit at Ras Al Khaimah, Unit Arab Emirates. The primary operation is towards assembly & supply of power train subassemblies to customers in the Middle East & North Africa. The company received its first major breakthrough in March, 2023 & released to the exchange was given at the time. As an assembly line setup, finished components are assembled & tested via a test bench & other testing infrastructure. The Plant was taken on lease from Ras al Khaimah economic zone (RAKEZ) which was in a ready to use condition. The company has qualified as QFZP (Qualifying Free Zone Person) & is legally paying 0% tax on its qualifying income while non qualifying income is taxed at 9% in the United Arab Emirates. Please feel free to visit the website of Safa Otomotiv, www.safaotomotiv.ae for more information about the business.*

** The Reporting period for the subsidiary Safa Otomotiv FZ-LLC is 01.01.2026 to 31.12.2026 (Calendar Year) but the above figures are audited numbers as mentioned in the audited financial for the period from 01.04.2025 to 31.03.2026.*

1. **Names of subsidiaries which are yet to commence operations:**
   - Quantum Energetics Private Limited *(Formerly known as Naya Energy Works Private Limited)*
   - Balu Advanced Technologies & Systems Private Limited
2. **Names of subsidiaries which have been liquidated or sold during the year –** Nil

Part "B": Associates and Joint Ventures

1. ***Swan Balu Heavy Industries Limited ("SBHIPL") – Associate Company**

   ** SBHIPL was incorporated in 20th April, 2025 as SPV Company with Swan Energy Limited. The Company holds 40% equity in SBHIPL, pursuant to the said Investment, SBHIPL has become the Associate of Balu Forge Industries Limited w.e.f. 23rd June, 2025.*

   Note: The Company does not have any Joint Venture Company as on 31st March, 2026

   The Names of associate or joint ventures which are yet to commence operations – Nil

   The Names of the associate or joint ventures which have been liquidated or sold during the year – Nil

By the Order of the Board
For Balu Forge Industries Limited

Mr. Jaspalsingh Chandock	**Mr. Trimaan Chandock**	**Mr. Jaikaran Chandock**	**Mr. Sandeep Singh Chadha**	**Ms. Tabassum Begum**
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chairman & Managing Director	Whole Time Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN: 00813218	DIN: 02853445	DIN: 06965738		

Date: 07th September, 2026
Place: Mumbai

Annexure 'B' to Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The objective of the CSR activities of the Company is to foster a better quality of life for local communities and promote a socially inclusive society where equal opportunities are made available to all. The Company would like to make a meaningful impact to the lives of beneficiaries through structured interventions that contribute to their economic and social progress.

The Board of Directors of the Company has formed a Corporate Social Responsibility Committee to make CSR as one of the key focus areas where the Company can play a vital role and provide a reasonable contribution to the society by entering into sustainable programs of high impact and integrity.

2. COMPOSITION OF CSR COMMITTEE:

Name of Director	Nature of Directorship	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Raghvendra Raj Mehta	Non-Executive & Independent Director	Chairperson	02	02
Mr. Radhey Shyam Soni*	Non-Executive & Independent Director	Chairperson	02	02
Mr. Trimaan Chandock	Executive & Whole Time Director	Member	02	02
Mr. Jaikaran Chandock	Executive & Whole Time Director	Member	02	02

** Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Corporate Social Responsibility Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Corporate Social Responsibility Committee w.e.f. 22nd May, 2026.*

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

Sr. No.	Particulars	Weblink
1.	CSR Committee	https://www.baluindustries.com/corporate-governance.php
2.	CSR Policy	https://www.baluindustries.com/assets/pdf/corporate-governance/policies/csr-policy.pdf
3.	CSR Projects	https://www.baluindustries.com/corporate-governance.php

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE.

Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, is not applicable to the Company.

5. a. Average net profit of the company as per sub-section (5) of section 135: ₹ **7778.96 Lacs**

   b. Two present of average net profit of the company as per sub-section (5) of section 135: ₹ **155.58 Lacs.**

   c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil**

d. Amount required to be set-off for the financial year, if any: **₹ 13.01 Lacs**

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 142.57 Lacs**

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 156.50 Lacs. Hence, there was no unspent amount for the year.

i. Ongoing projects – Nil (Refer Annexure – "B1")

ii. Other than Ongoing Projects (Refer Annexure – "B1")

b. Amount spent in Administrative Overheads: **Nil**

c. Amount spent on Impact Assessment, if applicable: **Nil**

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 156.50 Lakhs**

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,56,50,000	NIL	NIL	NIL	NIL	NIL

f. Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	155.58
(ii)	Total amount spent for the Financial Year	156.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.92
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	* 13.93

**includes excess amount of ₹ 13.01 lacs spent towards CSR activities in previous three financial years available for set off in next financial year*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: - **None**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: - **No**

Furnish the details relating to such asset(s) created or acquired through CSR amount spent in the Financial Year – **Not Applicable**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. – **Not Applicable**

By the Order of the Board
For Balu Forge Industries Limited

Sd/-
Mr. Jaspalsingh Chandock
Chairman and Managing Director
DIN: 00813218

Sd/-
Mr. Radhey Shyam Soni
(Chairman, CSR Committee)
DIN: 07962657

Date : 07th September 2026
Place: Mumbai

Annexure – "B1" to Director Report

I. DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

There were no on-going projects for the financial year, hence this is not applicable.

II. DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)		(5)	(6)	(7)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)		Amount spent for the project (₹ in Lakhs	Mode of implementation – Direct (Yes/ No)	Mode of implementation - Through implementing agency	
			State	District			Name	CSR registration number
1.	Plantation Drive	(iv)	Maharashtra	Raigad	7,50,000	No	Mahavir International Trust Mumbai	CSR00028883
2.	Education and Hospital services	(ii)	Maharashtra	Ahmed Nagar	75,00,000	No	Sangamner Medical Foundation and Research Institute	CSR00002698
3.	Uttam Shiksha – Ek Prayas & Skill Development	(ii)	Rajasthan	Kota	35,00,000	No	Shubhash Chandra Boss Charitable Trust	CSR00016949
4.	Education and Digital Literacy	(ii)	Rajasthan	Kota	39,00,000	No	Bhartiya Lok Sewa Sansthan	CSR00087332

Annexure 'C' to Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014.

1. The ratio of the remuneration (paid / payable) of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 and % increase in remuneration of each Director / KMP of the Company for FY 2025-26 are as under:

(in lakhs)

Sr. No.	Name of Director	Designation	%Increase in remuneration over previous year	Ratio of Remuneration to Median Remuneration of all Employees
		Executive Directors		
1.	Jaspalsingh Chandock	Chairman and Managing Director	107%	50.86
2.	Trimaan Chandock	Whole-Time Directors	111%	20.34
3.	Jaikaran Chandock	Whole-Time Directors	111%	20.34
		KMP		
4.	Tabassum Begum	Company Secretary	10%	2.31
5.	Amit Todkari	Chief Financial officer	10%	3.59

2. The Median remuneration of the Company for all its employees is ₹ 471860.90 for the F.Y. 2025-26.

3. Percentage increase in the median remuneration of employees in the financial year 2025-26 is 11.41%.

4. The number of permanent employees on the rolls of the Company as on 31st March 2026 was 164 (One Hundred Sixty-Four).

5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2025-26 was 11% whereas the percentile increase in the managerial remuneration for the same financial year was 108.70%.

6. The key parameters for the variable component of remuneration availed by directors: There is no variable component in the remuneration paid to the directors.

7. It is hereby affirmed that the remuneration paid/payable during the year is as per the Remuneration Policy of the Company.

8. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection and any Member interested in obtaining a copy of the same may write to Company at compliance@baluindustries.com from their registered e-mail address.

By the Order of the Board
For Balu Forge Industries Limited

Sd/-
Mr. Jaspalsingh Chandock
Chairman & Managing Director
DIN: 00813218

Place: Mumbai
Date: 07th September 2026

Annexure 'D' to Directors' Report

SECRETARIAL AUDIT REPORT

FORM No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] and Pursuant to Regulation 24A of SEBI (LODR) Regulation, 2015

To,
The Members,
Balu Forge Industries Limited
506, 5th Floor, Imperial Palace,
45 Telly Park Road, Andheri (East),
Mumbai – 400 069, Maharashtra

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Balu Forge Industries Limited** having CIN: L29100MH1989PLC255933 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013, (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, wherever applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the audit period under review;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021; Not applicable during the audit period under review;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable during the audit period under review;

h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable during the audit period under review;

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, ; Not applicable during the audit period under review;

j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2021; Not applicable during the audit period under review;

(vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, other than fiscal, labour and environmental laws, there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

a) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

b) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above:

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors including Woman Director. The changes in the composition of the Board of Directors which took place during the financial year under review were carried out in compliance with the provisions of the Act.

Adequate/Shorter notices are given to all Directors to schedule the Board and its Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members had any dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

All the Board/Committee decisions are taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. During the financial year 2025-26, the Company issued and allotted equity shares pursuant to the exercise of Convertible Warrants issued on a preferential basis. The details of the equity shares allotted upon conversion/exercise of the said warrants are as follows:

Sr. No.	Date of Allotment	Particulars of Equity Shares Allotted	Category of Allottee	Issue Price per Equity Share (₹)	Securities Premium per Share (₹)
1.	03.04.2025	13,25,000	Promoter	183.60	173.60
2.	24.05.2025	19,00,000	Non-Promoter	360.00	350.00
3.	30.12.2025	10,00,000	Non-Promoter	360.00	350.00
4.	09.02.2026	10,00,000	Non-Promoter	360.00	350.00
5.	25.02.2026	16,30,000	Non-Promoter	360.00	350.00
6.	06.03.2026	20,60,000	Promoter & Non-Promoter	360.00	350.00
7.	09.03.2026	17,10,000	Promoter & Non-Promoter	360.00	350.00

2. The Company has obtained the Shareholders' approval by passing the following Special Resolution by way of 01/2024-25 Postal Ballot passed on 25th April, 2025:

- Appointment of Mr. Roop Lal Meena (DIN: 10938270) as an Independent Director of the Company for a term of five years.

For **Prachi Bansal & Associates**
Company Secretaries

Sd/-
Prachi Bansal
Proprietor
Membership No.: A43355
C.P. No.: 23670
PR No.: 3702/2023

Date: August 26, 2026
Place: Mumbai
UDIN: A043355H001235227

Note: This Report is to be read with our letter of even date, which is annexed as annexure and forms an integral part of this report.

ANNEXURE

To,
The Members,
Balu Forge Industries Limited
506, 5th Floor, Imperial Palace,
45 Telly Park Road, Andheri (East),
Mumbai – 400 069, Maharashtra

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Prachi Bansal & Associates
Company Secretaries

Sd/-
Prachi Bansal
Proprietor
Membership No.: A43355
C.P. No.: 23670
PR No.: 3702/2023

Date: August 26, 2026
Place: Mumbai
UDIN: A043355H001235227

Annexure 'E' to Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo (In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

The Company continued to strengthen energy and resource efficiency across its manufacturing operations through modernisation of equipment, process automation, digital monitoring and preventive maintenance. These initiatives are intended to improve operational efficiency, optimise energy consumption and reduce avoidable losses across forging, machining and allied manufacturing processes.

During FY 2025–26, the Company undertook the following energy-conservation measures:

1. **Optimisation of manufacturing processes:** Process parameters were periodically monitored and optimised to improve equipment utilisation and minimise avoidable energy consumption.

2. **Deployment of modern and energy-efficient equipment:** Older motors, components and other equipment were progressively replaced or upgraded with energy-efficient alternatives, wherever technically and commercially feasible.

3. **Advanced machining capabilities:** The Company commercialised advanced 7-axis and 11-axis CNC machining capabilities, which offer improved precision, productivity and operating efficiency compared with conventional machining processes.

4. **Automation and digital monitoring:** Process automation and digital monitoring systems were deployed to improve operational control, identify inefficiencies and optimise energy usage across manufacturing operations.

5. **Preventive maintenance:** Preventive maintenance programmes were strengthened to improve equipment performance, reduce breakdowns and minimise energy losses arising from inefficient operation of machinery.

6. **Monitoring of electrical parameters:** Power factor, maximum demand and other key electrical parameters were continuously monitored and controlled to optimise electricity consumption and demand-related costs.

7. **Energy-efficient lighting:** Energy-efficient LED lighting and automated lighting controls were continued across applicable areas to reduce avoidable electricity consumption.

8. **Commissioning and stabilisation of production assets:** The Company continued commissioning and stabilising strategic production assets at its Hattargi manufacturing campus, with emphasis on efficient operation, capacity utilisation and resource optimisation.

B. TECHNOLOGY ABSORPTION

Research & Development ("R&D")

I. Specific areas in which R&D is carried out by the Company.

During FY 2025–26, the Company's R&D and engineering initiatives focused on low-cost automation, process redesign and optimisation of manufacturing operations across its facilities.

The Company also undertook product and process-development activities involving advanced 7-axis and 11-axis CNC machining, hydraulic-hammer forging, alloy and material optimisation, tooling development and the manufacture of complex, high-precision components. These initiatives were supported by the Company's in-house design, metallurgical, testing and quality-assurance capabilities.

II. Benefits derived as a result of the above R&D.

The R&D and process-improvement initiatives contributed to:

- improved manufacturing efficiency and productivity;
- greater precision and consistency in machining complex components;
- reduction in production cycle time, process wastage and energy consumption;
- enhanced product quality, reliability and traceability;
- development of new and higher-value products for defence, aerospace, railways and other industrial applications;
- improved utilisation and scalability of the Company's forging and machining facilities; and
- strengthening of the Company's technological capabilities and competitiveness in domestic and international markets.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Following are the details of total foreign exchange earned and used during the last financial year:

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Foreign exchange earned	27,698.00	41,881.26
Foreign exchange used	13,488.99	17,082.26

Corporate Governance Report

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is essentially the management of an organisation's activities in accordance with policies that are value-accretive for all stakeholders. At Balu Forge Industries Limited, Corporate Governance has been a continuous journey to adapt the best practice in line with the changes in the regulations and the business goals of the Company are aimed at the overall well- being and welfare of all the constituents of the system. The Company's philosophy on Corporate Governance oversees business strategies and ensures ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Management strongly believes in fostering a governance philosophy that is committed towards timely disclosures, transparent accounting policies and a strong and independent Board which drives a long way in protecting the shareholders' interest while maximizing long term corporate values. The Management believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

A well-informed Board is an important facet of responsible behaviour. On a regular basis, the Board members of the Company are apprised of all the vital issues that it comes across and the remedial actions taken in this regard. Through this robust Corporate Governance mechanism that interlinks values, ethics and positive culture, the Company aims to achieve long-term sustainability.

2. BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic directions, management policies and their effectiveness and ensures that Shareholders' long-term interests are being served. The Managing Director and Whole Time Directors are assisted by senior managerial personnel in overseeing the functional matters of the Company.

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") and the same is in accordance with the requirements of the Companies Act, 2013. As on 31st March, 2026, the Board of the Company consisted of 7 (Seven) Directors of which 1 (One) is Managing Director, 2 (Two) Whole Time Directors and 4 (Four) Non-Executive Independent Directors (including a Woman Director). The Company also has 2 (Two) KMP's viz. Chief Financial Officer and Company Secretary. All members of the Board are eminent persons with considerable professional expertise and experience.

The following changes took place in the composition of the Board of Directors:

1. Mr. Roop Lal Meena (DIN: 10938270), was appointed as an Additional Director (Non-Executive -Independent category) of the Company w.e.f. 07th February, 2025. The appointment of Mr. Roop Lal Meena was approved by the shareholders by means of a special resolution through postal ballot concluded on 23rd April, 2025.

2. Mr. Raghvendra Raj Mehta (DIN: 01947378) ceased to be an Independent Director of the Company, on attaining the age of 75 years on 06th May, 2026.

The Company has in place a succession plan for the Board of Directors and Senior Management of the Company.

The composition of the Board, directorships/committee membership positions in other companies held by Directors of the Company as on 31st March, 2026 is given below:

Name of Director	Category	Relationship between directors inter-se	No of Directorship and Committee Chairmanship(s) / Membership(s) including this listed company			Particular of Directorship in other listed entities	
			*Directorship	#Chairmanship	#Membership	Name of the Company	Category of Directorship
Mr. Jaspalsingh Chandock (DIN: 00813218)	Chairman & Managing Director- (Promoter – Executive)	Father of Mr. Trimaan Chandock & Mr. Jaikaran Chandock	2	0	0	0	0
Mr. Trimaan Chandock (DIN-02853445)	Whole time Director (Promoter – Executive)	Son of Jaspalsingh Chandock & brother of Mr. Jaikaran Chandock	2	0	1	0	0

Name of Director	Category	Relationship between directors inter-se	No of Directorship and Committee Chairmanship(s) / Membership(s) including this listed company			Particular of Directorship in other listed entities	
			*Directorship	#Chairmanship	#Membership	Name of the Company	Category of Directorship
Mr. Jaikaran Chandock (DIN: 06965738)	Whole Time Director (Promoter – Executive)	Son of Mr. Jaspalsingh Chandock and Brother of Mr. Trimaan Chandock	2	0	0	0	0
Mr. Raghvendra Raj Mehta (DIN: 01947378)*	Non-Executive – Independent Director	None	2	2	3	Libord Finance Ltd	Non-Executive – Independent Director
Mr. Radhey Shyam Soni (DIN: 07962657)	Non-Executive – Independent Director	None	3	2	5	Libord Finance Ltd, Libord Securities Ltd	Non-Executive – Independent Director
Ms. Shalu Laxmanraj Bhandari (DIN: 00012556)	Non-Executive – Independent Director	None	7	2	6	Bajaj Hindusthan Sugar Limited	Non-Executive – Independent Director
Mr. Roop Lal Meena DIN No. 10938270	Non-Executive – Independent Director	None	1	0	2	Nil	Non-Executive – Independent Director

Note:

*Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026.

^The list of other directorships includes Public Companies (listed and unlisted) but does not include Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

It includes Chairmanship or Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only.

During the year, none of the Directors of the Company:

- Has held or holds office as a director, including any alternate directorship, in more than twenty companies at the same time and maximum number of directorships in public companies does not exceed ten as per the provision of Section 165 of Company Act, 2013.
- Has held or holds office of directorships, including any alternate directorships in more than eight listed entities as per the provision of 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Has not serve as an independent director in more than seven listed entities and whole-time director has not served as an independent director in not more than three listed entities.
- Is a Member of more than 10 (ten) Committees and Chairman / Chairperson of more than 5 (five) Committees across all the Indian Public limited companies in which he/ she is a Director - As per Regulation 26 of the SEBI Listing Regulations.

The Board of Directors is of the opinion that all Independent Directors of the Company fulfill the conditions of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) and 25(8) of the SEBI Listing Regulations and hereby confirm that they are independent of the management.

Shareholdings of Directors as on 31st March, 2026.

Name of Directors	Category	No. of Equity Shares	% Shareholding	No. of Convertible Warrants
Mr. Jaspalsingh Chandock	Chairman & Managing Director	6,04,59,024	52.58	Nil
Mr. Trimaan Chandock#	Whole Time Director	10,75,900	0.94	Nil
Mr. Jaikaran Chandock#	Whole Time Director	10,10,150	0.88	Nil
Mr. Raghvendra Raj Mehta*	Independent Director	Nil	Nil	Nil
Mr. Radhey Shyam Soni	Independent Director	Nil	Nil	Nil
Mrs. Shalu Laxmanraj Bhandari	Independent Director	Nil	Nil	Nil
Mr. Roop Lal Meena	Independent Director	Nil	Nil	Nil

*Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026.

#The Company issued and allotted equity shares pursuant to the exercise of rights attached with Convertible Warrants issued on a preferential basis to Promoters Category:

- Allotment of 15,00,000 Equity Shares to Mr. Jaikaran Chandock on 06th March, 2026. Listing Approval for the same was received on 26th May, 2026. These shares are not included in the shareholding pattern as on 31st March 2026.

- Allotment of 15,00,000 Equity Shares to Mr. Trimaan Chandock on 09th March, 2026. Listing Approval for the same was received on 09th July, 2026. These shares are not included in the shareholding pattern as on 31st March 2026.

BOARD MEETINGS

The Board meets at regular intervals to discuss the performance of the Company and Financial Results apart from other business whenever required, from time to time. The notice, agenda and supplementary documents are circulated well in advance before each meeting, to all Directors, for facilitating effective discussion and decision making. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter-alia specified under Part A of Schedule II of Regulation 17(7) of the SEBI Listing Regulations. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

The Board of Directors duly met 6 (Six) times during the financial year ended 31st March, 2026 and maximum interval between any two meetings was within the maximum gap permitted under the Companies Act, 2013 and the SEBI Listing Regulations.

THE DATES OF THE MEETINGS WERE AS FOLLOWS:

14th May, 2025, 07th August, 2025, 04th September, 2025, 30th October, 2025, 14th November, 2025 and 12th February, 2026.

The 36th Annual General Meeting of the Shareholders of the Company was held on Monday, 29th September, 2025.

The attendance of each Director at the Board Meeting and the last Annual General Meeting is given under:

Name of director	Particular of attendance for the Board Meetings		Attendance for last AGM held on 29th September 2025
	Meetings held during the Director's tenure	Board Meetings attended	
Mr. Jaspalsingh Chandock	06	06	Present
Mr. Trimaan Chandock	06	06	Present
Mr. Jaikaran Chandock	06	06	Present
Mr. Raghvendra Raj Mehta*	06	05	Present
Mr. Radhey Shyam Soni	06	06	Present
Mrs. Shalu Laxmanraj Bhandari	06	06	Present
Mr. Roop Lal Meena	06	06	Present

*Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026.

Separate Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the SEBI Listing Regulations, separate meeting of Independent Directors of the Company was held on Thursday, 12th February, 2026 without the presence of other Directors or management representatives. The agenda was to review the performance of Non-Independent Directors, the Chairperson, the entire Board and Committees thereof, quality, quantity, and timeliness of the flow of information between the management and the Board.

Familiarisation Program

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarization programs as these are scheduled to coincide with the Board meeting calendar.

The details of training programs attended by the Independent Directors has been posted on the Company's website at https://www.baluindustries.com/corporate-governance.php.

Matrix of skills / expertise/ competencies of the Board of Directors

The Board of the Company comprises qualified members with the required skills, competence, and expertise for effective contribution to the Board and its Committee.

The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/ competence:

Name of Director	Area of skill/expertise/competencies
Mr. Jaspalsingh Chandock	Leadership, Management & administration, Production and Marketing, Strategic Planning, Operational experience.
Mr. Trimaan Chandock	Leadership, Management & administration, Production and Marketing, Accounting & Finance, Global Business, Business Acumen, Industry Experience and Research and Development and Innovation.
Mr. Jaikaran Chandock	Leadership, Management & administration, Production and Marketing, Research and Development and Innovation, Global Business and Business Acumen.
Mr. Raghvendra Raj Mehta*	Accounting & Finance, Corporate Governance Relationship and CSR.
Mr. Radhey Shyam Soni	Accounting, Finance and Banking and Forex & Risk Management Sustainability.
Mrs. Shalu Laxmanraj Bhandari	Legal and Corporate Governance Relationship
Mr. Roop Lal Meena	Accounting, Finance and Banking, Internal Controls and Organizational Credit Policies

*Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026.

Particulars of Senior Management Personnel of the Company as on 31st March 2026 including the changes therein since the close of the previous financial year:

There has been no change in the Senior Management Personnel of the Company during the Financial Year 2025-26. However, subsequent to the close of the Financial Year 2025-26 and up to the date of this Report, the following changes took place in the Senior Management Personnel of the Company:

- Mr. Amit Ashok Todkari, ceased to be the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 25th May, 2026.

- Mr. Sandeep Singh Chadha was appointed as the Interim Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 26th May, 2026, in accordance with the applicable provisions of the Companies Act 2013.

Committees of the Board of Directors

In compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Board of Directors has constituted various Committees. These Committees are entrusted with such powers and functions as detailed in their respective terms of reference. Besides, the Committees help focus attention on specific matters of the organization.

There are total 5 (five) Statutory Committees of the Board as on 31st March 2026, considering the need of best practice in Corporate Governance of the Company.

In order to keep up the highest level of standards regarding Corporate Governance and Disclosures, the Management has instituted several committees that oversee various aspects of the organisation's administration. These Committees are formed in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

Committees as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Other Committees

6. Management Committee

3. AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted as per Regulation 18 of the SEBI Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office with effect from 06th May, 2026. Consequently, he ceased to be the Chairman of the Audit Committee. Mr. Radhey Shyam Soni was appointed as the Chairman of the Audit Committee with effect from 22nd May, 2026.

The Committee members invite the Internal Auditors or any other concerned officer of the Company in the meetings, whenever required on case-to-case basis.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process. The Company Secretary acts as the Secretary of the Audit Committee.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Terms of Reference of the Audit Committee are as follows:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible;

b. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub- section 3 of section 134 of the Companies Act, 2013;

    ii. Changes, if any, in accounting policies and practices and reasons for the same;

    iii. Major accounting entries involving estimates based on the exercise of judgment by management;

    iv. Significant adjustments made in the financial statements arising out of audit findings;

    v. Compliance with listing and other legal requirements relating to financial statements;

    vi. Disclosure of any related party transactions; and

    vii. Modified opinion(s) in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h. Approval or any subsequent modification of transactions of the Company with related parties;

i. Scrutiny of inter-corporate loans and investments;

j. Valuation of undertakings or assets of the Company, wherever it is necessary;

k. Evaluation of internal financial controls and risk management systems;

l. Monitoring the end use of funds raised through public offers and related matters;

m. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o. Discussion with internal auditors of any significant findings and follow up thereon;

p. Reviewing the findings of any internal investigations by the internal auditors into matters of where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

q. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

s. To establish and review the functioning of the whistle blower mechanism;

t. Approval of appointment of Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate;

u. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority;

v. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

w. Review of:

i. management discussion and analysis of financial condition and results of operations;

ii. management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. internal audit reports relating to internal control weaknesses;

iv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

v. statement of deviations including:

a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;

b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

vi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision and;

vii. Review the compliance of the provision of at least once in a financial year and verify that the systems for internal controls are adequate and operating sufficiently and forward the said report with the comments / observations to the Board of Directors of the Company.

viii. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Audit Committee Meetings

During the Financial Year 2025-26, 5 (Five) Audit Committee meetings were held on 14th May, 2025, 07th August, 2025, 04th September 2025, 14th November, 2025 and 12th February, 2026. The gap between two Audit Committee meetings was not more than one hundred and twenty days.

Ms. Tabassum Begum, Company Secretary of the Company acts as the secretary to the Audit Committee.

The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Name of the Members	Designation in the committee	Particulars of Attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Raghvendra Raj Mehta*	Chairman	05	05
Mr. Radhey Shyam Soni*	Member	05	05
Mrs. Shalu Bhandari	Member	05	05
Mr. Trimaan Chandock	Member	05	05
Mr. Roop Lal Meena^	Member	03	03

* Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Audit Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Audit Committee w.e.f. 22nd May, 2026.

^Mr. Roop Lal Meena, was inducted as the Member of the Audit Committee w.e.f. 07th August, 2025.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the SEBI Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors, and carries out evaluation of performance of individual Directors. Besides, it recommends remuneration policy for Directors, Key Managerial Personnel and the Senior Management of the Company.

Terms of reference of the Nomination and Remuneration Committee are as follows:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel, and other employees;

b) Formulate and evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agency, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

c) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

d) Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

e) Recommend to the Board, appointment, and removal of Director, KMP and Senior Management Personnel;

f) Devise a policy on diversity of Board of Directors;

g) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

h) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Nomination and Remuneration Committee Meetings

During the financial year under review, 2 (Two) meetings of the Nomination and Remuneration Committee were held. The meetings were held on 14th May, 2025 and 12th February, 2026.

The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the committee	Particulars of Attendance	
		No. of held meetings during the Member's tenure	No. of meetings attended by the Member
Mr. Raghvendra Raj Mehta*	Chairman	02	02
Mr. Radhey Shyam Soni*	Member	02	02
Mrs. Shalu Bhandari	Member	02	02
Mr. Roop Lal Meena^	Member	01	01

* Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Nomination and Remuneration Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Nomination and Remuneration Committee w.e.f. 22nd May, 2026.

^ Mr. Roop Lal Meena, was inducted as the Member of the Nomination and Remuneration Committee w.e.f. 07th August, 2025.

Performance Evaluation Criteria for Independent Directors

The Board of Directors of the Company carried out an annual evaluation of its own performance, of committees, of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc. The Individual Director's response to the questionnaire on the performance of the Board, Committee(s), Directors, and Chairman, were analyzed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

In compliance with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills, and exercise of independent judgment in major decisions of the Company.

The performance criteria of the above-mentioned Directors are laid down by the Nomination and Remuneration Committee in accordance with the Nomination and Remuneration Policy of the Company.

5. REMUNERATION OF DIRECTORS

a) Criteria of making payments to Non-Executive Directors

Sitting Fees

The Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid to non-executive Directors is within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

The details of sitting fees for the financial year 2025-26 are as under:

Name of Non- Executive Director	Sitting fees (in ₹)
Mr. Radhey Shyam Soni	4,45,000
Mr. Raghvendra Raj Mehta*	4,65,000
Mrs. Shalu Bhandari	4,45,000
Mr. Roop Lal Meena	3,85,000

*Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors apart from receipt of sitting fees. The Company has not granted any stock options to any of its Non-Executive Directors.

b) Managing Director & Whole-time Director

The Company has paid remuneration to its Managing Director and Whole-time Directors, by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company.

Details of the remuneration paid to the Executive Directors of the Company during the financial year 2025-26 are as follows:

Name	Designation	Basic Salary	Company's contribution to provident fund	Perquisites	Variable	Gross Remuneration
Mr. Jaspalsingh Chandock	Managing Director	2,20,00,000	-	-	-	2,20,00,000
Mr. Trimaan Chandock	Whole-time Director	88,00,000	-	-	-	88,00,000
Mr. Jaikaran Chandock	Whole-time Director	88,00,000	-	-	-	88,00,000

Service Contract

Mr. Jaspalsingh Chandock (DIN: 00813218), has been serving as the Chairman and Managing Director of the Company for the period of 5 years commencing from 19th November 2023.

Mr. Trimaan Jaspalsingh Chandock [DIN 02853445], has been serving as the Whole-Time Director of the Company for the period of 5 years commencing from 19th November 2023.

Mr. Jaikaran Jaspalsingh Chandock [DIN 06965738], has been serving as the Whole-Time Director of the Company for the period of 5 years commencing from 19th November 2023.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office with effect from 06th May, 2026. Consequently, he ceased to be the Chairman of the Stakeholders' Relationship Committee. Mr. Radhey Shyam Soni was appointed as the Chairman of the Stakeholders' Relationship Committee with effect from 22nd May, 2026. Ms. Tabassum Begum, Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6 of the SEBI Listing Regulations as on 31st March, 2026.

Terms of reference of the Stakeholders' Relationship Committee are as follows:

a) Investor relations and redressal of grievances of security holders of the Company in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc.;

b) Approve requests for security transfers and transmission and those pertaining to re-materialisation of securities / subdivision/ consolidation of shares, issue of renewed and duplicate share/debenture certificates etc.;

c) Resolving the grievances of the shareholders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report and non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;

d) Review of measures taken for effective exercise of voting rights by shareholders;

e) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

f) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

g) Such other matters as may from time to time be required by any statutory, contractual, or other regulatory requirements to be attended to by such Committee.

Stakeholders Relationship Committee Meetings

During the year ended 31st March, 2026, (1) One meeting of Stakeholders Relationship Committee was held i.e. on 14th May, 2025. The Company Secretary of the Company acts as Secretary to the Committee.

The composition and attendance of each Member is as follows:

Name of the Members	Designation in the committee	Particulars of Attendance	
		No. of meetings held during the Member's tenure	No. of meeting attended by the Member
Mr. Raghvendra Raj Mehta*	Chairman	01	01
Mr. Radhey Shyam Soni*	Member	01	01
Mrs. Shalu Bhandari#	Member	01	01
Mr. Roop Lal Meena^	Member	00	00

* Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Stakeholders' Relationship Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Stakeholders' Relationship Committee w.e.f. 22nd May, 2026.

#Ms. Shalu Laxmanraj Bhandari, Independent Director of the Company, ceased to be a Committee Member of the Stakeholders Relationship Committee, w.e.f. 30th May 2026. Mr. Trimaan Chandock, Whole Time Director of the Company was appointed as Member of the Committee w.e.f. 30th May, 2026.

^Mr. Roop Lal Meena, inducted as the Member of the Stakeholders Relationship Committee w.e.f. 07th August, 2025.

Investor Complaints

The details of investor complaints received / redressed during the financial year 2025-26 is as under:

Complaints as on 01.04.2025	Received during the year	Resolved during the year	Complaints not solved to the satisfaction of shareholders during the year	Pending as on 31.03.2026
0	0	0	0	0

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013.

Terms of reference of the CSR Committee are as follows:

a) To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommend same to the Board;

b) To recommend the amount of expenditure to be incurred on CSR activities;

c) To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;

d) To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;

e) To provide a report on CSR activities to the Board of the Company periodically;

f) To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;

g) To monitor and review the CSR Policy of the Company from time to time; and

h) To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

Corporate Social Responsibility Committee Meetings

The Corporate Social Responsibility Committee met twice during the year ended 31st March, 2026 i.e. on 14th May, 2025 and 07th August, 2025.

Name of the Members	Designation in the committee	Particulars of Attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Raghvendra Raj Mehta*	Chairman	02	02
Mr. Trimaan Chandock	Member	02	02
Mr. Jaikaran Chandock	Member	02	02

* Mr. Raghvendra Raj Mehta, Independent Director of the Company, vacated his office w.e.f. 06th May, 2026. Consequently, he ceased to be the Chairman of the Corporate Social Responsibility Committee, and Mr. Radhey Shyam Soni was appointed as the Chairman of the Corporate Social Responsibility Committee w.e.f. 22nd May, 2026.

8. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board was constituted in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations.

Terms of reference of the Risk Management Committee are as follows:

a) To assist the Board in execution of its responsibility for the governance and to assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with the Management;

b) To formulate, review and recommend risk management policy and amendments, if any for Board Approval.

c) To formulate the Risk Management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security, or any other risk as may be determined by the committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.

d) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

e) To monitor and oversee the implementation of risk management policy, including evaluating the adequacy of risk management systems.

f) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

g) To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.

h) The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.; and

i) The Committee shall coordinate its activities with other committees where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors,

Risk Management Committee shall meet at least twice in a financial year (not more than 210 days shall elapse between two consecutive meetings) to review the risk management process and review the top risks, mitigation plan and status at the Company level. Additional meetings may be convened at the request of any one of the committee members. However, the meetings are to be scheduled as such that they are held before the meetings of the Board, for effective reporting. Moreover, the Chairman of the Risk Management Committee shall report from time to time to the Board on the deliberations of the Committee.

Risk Management Committee Meetings

During the financial year under review, 2(Two) meetings of the Risk Management Committee were held on 14th May, 2025 and 14th November, 2025. The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Trimaan Chandock	Chairman	02	02
Mr. Jaikaran Chandock	Member	02	02
Mr. Radhey Shyam Soni	Member	02	02

9. MANAGEMENT COMMITTEE

Terms of reference of the Management Committee are as follows:

a) To borrow loans for operations of the Company up to the maximum limit of ₹ 100 Crores in a financial year;

b) To authorise such persons including directors to approach Banks/ Financial Institution and others to avail loans/credit facilities from time to time for operation of the Company and to negotiate and finalize the terms and conditions thereof;

c) To authorise any person/employee(s) either severally/jointly to sign and execute documents, application forms and/or agreements related to opening, operating and closing of Bank account, issue of Corporate Credit Cards, availing e-payment gateway services, Cash Management Service or availing Corporate Internet Banking Services or enhancing the online transaction limits for the Accounts opened/to be opened with any Banks, modification of authorised signatories of the existing bank accounts and such other allied banking activities as may be required for facilitating the day to day business of the Company;

d) To invest the idle funds of the Company in various, fixed deposit schemes, debt securities of any corporate, government securities, units of mutual funds and such other instruments upto the maximum of ₹ 25 lacs and/ or to provide corporate guarantee or securities with respect to the loans availed by its subsidiaries upto the maximum of ₹ 1 Crore;

e) To authorise such Officials of the Company to operate the loan accounts and the bank account of the Company as maybe deemed fit from time to time;

f) To authorise such Officials of the Company to attend / appear before courts and other forums, tribunals, judicial, quasi-judicial authority / to declare, sign Vakalatnama, affirm and file written statements, replies, affidavits, applications, to file and exhibit the documents to lead the evidences on behalf of the Company in matters related to the Company;

g) To authorise such Officials of the Company to acquire properties on behalf of the Company on lease or otherwise as required in the ordinary course of business of the Company and / or to give premises on lease as maybe deemed fit by the Board from time to time and to sign, execute, negotiate and deliver all such documents, papers, agreements, applications, affidavits with respect to the same;

h) To grant authority to attend and vote at the general body meetings / postal ballots either in person or through e-voting in the body corporate where the Company had invested in its securities and to appoint any proxy for the same; and

i) To fill and file tenders for supply of materials in which the Company deals in and to issue advance / performance guarantees or pay earnest money deposit for such tenders and to do or to authorise any Officers of the Company including the Directors to do any such acts, deeds, things and matters related to submission of tenders.

Management Committee Meetings

During the Financial Year 2025-26, 8 (Eight) Management Committee meetings were held. The meetings were held on 02nd June, 2025, 02nd July, 2025, 24th September, 2025, 21st November, 2025, 02nd December, 2025, 23rd December, 2025, 21st January, 2026 and 24th March, 2026.

Name of the Members	Designation in the committee	Particulars of Attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Jaspalsingh Chandock	Chairman	08	08
Mr. Trimaan Chandock	Member	08	08
Mr. Jaikaran Chandock	Member	08	08

During the financial year under review, there were no instances where the Board had not accepted any recommendation of any committees of the Board.

10. GENERAL BODY MEETINGS

Annual General Meetings

The details of Annual General Meetings convened during the last three years are as follows:

For Financial Year	Date and Time	Venue	Special Resolution(s)
2024-25	Monday 29th September 2025 at 02:30 P.M	Through Video Conferencing (VIA Zoom Meeting)	• Increase in borrowing powers of the Company. • Creation of Charge and to provide security.
2023-24	Monday 30th September 2024 at 11:30 A.M	Through Video Conferencing (VIA Zoom Meeting)	• None
2022-23	Wednesday, 27th September, 2023 at 11:30 A.M.	Through Video Conferencing (VIA Zoom Meeting)	• Issue of Convertible Warrants on Preferential Basis to the persons forming part of Promoter Group. • Issue of Equity Shares on Preferential Basis to the persons other than Promoters and Promoter Group.

Extraordinary General Meetings

No Extraordinary General Meeting (EGM) of the Members of the Company was held during the Financial Year 2025-26.

Details of resolutions passed through Postal Ballot

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, no resolutions were passed by members of the Company through Postal Ballot.

Further, the members of the Company passed the following resolution by way of Postal Ballot dated 23rd April, 2025:

S. No.	Type of Resolutions	Particulars
1.	Special	Appointment of Mr. Roop Lal Meena (DIN: 10938270) as an Independent Director of the Company for a term of five years.

Details of the postal ballot process followed in this regard are as under:

Date of Postal Ballot Notice: 18th March, 2025
The Voting period commenced on 25th March, 2025 at 9:00 a.m. up to 23rd April, 2025 at 5:00 p.m. IST
Date of declaration of result: 25th April, 2025

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules framed thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), members were provided remote e-voting facility to vote on the resolution mentioned above. The Company availed electronic voting platform of National Securities Depository Limited (NSDL) for facilitating remote e-voting facility to all its members.

Mr. Jaymin Modi (Membership No.: A44248) Practicing Company Secretaries, Mumbai, were appointed as the Scrutinizer for carrying out the Postal Ballot voting process through electronic means in a fair and transparent manner.

The Postal Ballot Notice was sent to the members in electronic form at their email addresses registered with the depositories/, Company's Registrar and Share Transfer Agent.

The Scrutiniser submitted his report to the Chairman of the Company after the completion of scrutiny. The consolidated results of the voting by postal ballot were announced by the Chairman on 25th April, 2025, as authorised by the Board of Directors of the Company. The results were displayed on the Company's website at https://www.baluindustries.com. and were available on the website of the Stock Exchanges.

Whether any special resolution is proposed to be conducted through Postal Ballot

There is no proposal for passing any special resolution through Postal Ballot

11. MEANS OF COMMUNICATION:

Quarterly Results

The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes or 3 Hours, as applicable, from the conclusion of the Board Meeting in which the same is approved. The results are usually published in English Newspapers (Business Standard - All Editions), having country-wide circulation and in Marathi Newspapers (Navshakti - Mumbai Edition) where the registered office of the Company is situated.

These results were also placed on the Company's website i.e. https://www.baluindustries.com.

Quarter	Date of Board Meeting	Date of Publication
1st Quarter	07.08.2025	09.08.2025
2nd Quarter	14.11.2025	16.11.2025 and 17.11.2025
3rd Quarter	12.02.2026	14.02.2026
4th Quarter	30.05.2026	01.06.2026

Website

All the information and disclosures required to be disseminated as per Regulation 46(2) of the SEBI Listing Regulations and Companies Act, 2013 are being posted at Company's website: https://www.baluindustries.com

The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.bseindia.com and www.nseindia.com and the same is also uploaded on the website of the Company https://www.baluindustries.com

Designated E-mail address for investor services

To serve the investors better and as required under SEBI Listing regulations, the designated e-mail address for investors complaints, is compliance@baluindustries.com.

12. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	Wednesday, 30th September, 2026, 12:30 p.m. through Video Conferencing (VC) or other Audio Visual Means (OAVM)
Financial Year	April to March
Dividend Payment Date	The final dividend for the FY 2025-26, if approved by the members, will be paid / credited within 30 days from the date of such approval.
Registered Office along with its CIN	506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East), Mumbai – 400 069. CIN: L29100MH1989PLC255933
Name and Address of Stock Exchanges where Company's securities are listed	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 Scrip Code: 531112 ***National Stock Exchange of India Limited** 'Exchange Plaza', C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 NSE Trading Symbol: BALUFORGE
Listing fees	The Annual Listing fees for the financial year 2026-27 have been paid to BSE Limited and National Stock Exchange of India Limited.
Share Registrar and Transfer Agents	**M/s Skyline Financial Services Pvt. Ltd.** A/505, Dattani Plaza, A K Road, Safed Pool, Andheri (East), Mumbai – 400 072 Tel: 022 - 62215779 / 2851102 Email: pravin.cm@skylinerta.com; mumbai@skylinerta.com

Address for Correspondence	**a) For Securities held in Demat form:** The investor's Depository Participant and/or M/s Skyline Financial Services Pvt. Ltd. **b) Balu Forge Industries Ltd. Investor Relation Centre** Ms. Tabassum Begum Company Secretary & Compliance officer E-mail: compliance@baluindustries.com Tel No: +91 8655075578
Company Secretary & Compliance officer	Ms. Tabassum Begum

Share Transfer System

In terms of SEBI Listing Regulations, equity shares of the Company can only be transferred in dematerialised form including transmission or transposition of shares held in physical. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit.

Shareholding pattern of the Company as on 31st March, 2026*

Category of Shareholder	Number of Shares	% of Total Shares
A. Promoters	6,25,45,074	54.39
B. Public Shareholding	5,24,46,826	45.61
Mutual Funds	1,28,147	0.11
Alternate Investment Funds	8,94,398	0.78
Foreign Portfolio Investors	69,27,466	6.02
Central Government	46,24,001	4.02
Individuals	2,60,63,288	22.67
Non-Resident Indians (NRIs)	19,42,153	1.69
Body Corporate	90,70,661	7.89
HUF	8,67,867	0.75
Clearing Members	885	0.00
Firms	7,97,030	0.69
Trust	11,30,930	0.98
Total (A+B)	**11,49,91,900**	**100**

*The Company issued and allotted 64,00,000 equity shares pursuant to the exercise of Convertible Warrants issued on a preferential basis, for which listing approval was received after 31st March, 2026. These shares are not included in the shareholding pattern as on 31st March 2026.

The Board of Directors of the Company has on various dates approved allotment of equity shares on conversion of warrants, viz.

Date of allotment	No. of equity shares	Category of shareholders	Listing approval received on
April 03, 2025	13,25,000	Promoter Group	May 29, 2025
May 24, 2025	19,00,000	Non-promoter	July 16, 2025
December 30, 2025	10,00,000	Non-promoter	February 13, 2026
February 09, 2026	10,00,000	Non-promoter	April 10, 2026
February 25, 2026	16,30,000	Non-promoter	April 10, 2026
March 06, 2026	20,60,000	Promoters and Non-promoter	May 26, 2026
March 09, 2026	17,10,000	Promoters and Non-promoter	July 09, 2026

The Paid-up Share Capital of the Company as on 31st March, 2026, after considering the aforesaid allotments, is ₹ 1,21,39,19,000/- divided into 12,13,91,900 Equity Shares of ₹ 10/- each.

Distribution of Shareholding*

Distribution of shareholding of shares of your Company as on 31st March, 2026 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Shares Holding Amount	% of Issued Capital
Up To 5,000	73034	91.62	56914740.00	4.95
5001 To 10,000	3203	4.02	24220130.00	2.11
10001 To 20,000	1620	2.03	23990330.00	2.09
20001 To 30,000	568	0.71	14328430.00	1.25
30001 To 40,000	286	0.36	10239060.00	0.89
40001 To 50,000	221	0.28	10345840.00	0.90
50001 To 1,00,000	379	0.48	27501620.00	2.39
1,00,000 and Above	400	0.50	982378850.00	85.43
Total	**79711**	**100.00**	**1149919000.00**	**100.00**

*The Company issued and allotted 64,00,000 equity shares pursuant to the exercise of Convertible Warrants issued on a preferential basis, for which listing approval was received after 31st March, 2026. These shares are not included in the shareholding pattern as on 31st March 2026.

Disclosures of transactions of the Company with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company

The particulars of related party transactions of the company with promoter / promoter group during the year under review has been disclosed in the note no. 47 of Standalone Financial Statements.

Transfer of Unpaid/Unclaimed amounts and shares to Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, there was no Unpaid Dividend Amount of the Company liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Unclaimed Shares

During the financial year under review, the Company does not have any Demat Suspense Account / Unclaimed Suspense Account. The Company has 72,214 unclaimed equity shares of 730 shareholders lying with the Company as per Schedule V of the SEBI Listing Regulation. During the year the Company has issued 100 Number of shares to the 01 shareholders from whom the Company/RTA received the requests.

Dematerialisation of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialised mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is ISIN: INE011E01029 - Equity shares.

As on 31st March, 2026, total Equity Shares representing 99.88 percent are held in dematerialised form.

The shares of the Company are regularly traded at the Stock Exchange where they are listed, which ensure the necessary liquidity to shareholders.

Physical & Dematerialised shares as on 31st March, 2026	No. of shares	% of total issued capital
No. of Shares held in dematerialised form in CDSL	2,29,54,763	19.96%
No. of Shares held in dematerialised form in NDSL	9,19,07,493	79.93%
No. of physical shares	1,29,644	0.11%
TOTAL	**11,49,91,900***	**100%**

*The Company issued and allotted 64,00,000 equity shares pursuant to the exercise of Convertible Warrants issued on a preferential basis, for which listing approval was received after 31st March, 2026. These shares are not included in the shareholding pattern as on 31st March 2026.

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ADRs of the Company during the Financial Year 2025-26.

During the financial year 2025-26, the Company issued and allotted equity shares pursuant to the exercise of Convertible Warrants issued on a preferential basis. The details of the equity shares allotted upon conversion/exercise of the said warrants are as follows:

Sr. No.	Date of Allotment	Particulars of Equity Shares Allotted	Category of Allottee	Issue Price per Equity Share (₹)	Securities Premium per Share (₹)
1.	03.04.2025	13,25,000	Promoter	183.60	173.60
2.	24.05.2025	19,00,000	Non-Promoter	360.00	350.00
3.	30.12.2025	10,00,000	Non-Promoter	360.00	350.00
4.	09.02.2026	10,00,000	Non-Promoter	360.00	350.00
5.	25.02.2026	16,30,000	Non-Promoter	360.00	350.00
6.	06.03.2026	20,60,000	Promoter & Non-Promoter	360.00	350.00
7.	09.03.2026	17,10,000	Promoter & Non-Promoter	360.00	350.00

The Company had issued 93,00,000 Convertible Warrants at EOGM dated 09th August, 2024, and received ₹ 83,70,00,000/-, 25% of the total consideration which were used for the objects stated in the Notice of 01/2024-25 Extra-Ordinary General Meeting and the Explanatory Statement of Notice dated 16th July, 2024. There has been no Category wise variation between projected utilization of funds as stated in the explanatory statement to the notice for the EOGM.

The Company does not have any Warrants outstanding as on 31st March, 2026.

Whether the securities are suspended from trading

The securities of the Company were not suspended during the year under review.

Commodity price risk or foreign exchange risk and hedging activities

A comprehensive financial and commodity risk management program supports the achievement of an organisation's objectives by enabling the identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks and implementing policies and procedures to manage and monitor the risks.

Currency Hedging and Commodity Hedging is as guided by Risk management policy approved by Board and the same is reviewed by Board committee of independent directors.

Plant Location

Unit 1

43-B, Kakti Industrial Area, Kakti, Belgaum 591113, Karnataka, India

Unit 2

44-A, Kakti Industrial Area, Kakti, Belgaum-591113, Karnataka, India

Unit 3

428/1, Next to Aequs SEZ, Hattargi Village, Taluk Hukkeri - 591243, Karnataka, India

DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company

All transactions entered into with Related Parties as defined under the Companies Act, 2013, and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Indian Accounting Standard (Ind AS 24) has been made in note no. 47 of the Standalone Financial Statements.

B. Details of Non-Compliance by the Company:

Penalties, and Strictures imposed on the Company by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years

There was delay in submission of Financials Results under Regulation 33 of the SEBI Listing Regulations for the quarters ended March 2023 and paid the penalty as levied by the Stock Exchange. The Company had filed Waiver Application dated 19th July, 2023, to BSE Ltd. for payment of the above penalties imposed by BSE Ltd and no response has been received from BSE Ltd during the financial year under review. Apart from the aforesaid matter there were no non-compliance done by the Company and no Penalties, Strictures imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to Capital Markets during the last three years.

C. Disclosure of Vigil Mechanism/ Whistle Blower Policy and access to the Chairman of the Audit Committee

The Company has formulated Whistle Blower/ Vigil Mechanism Policy, pursuant to which the Director(s) and in line with the provisions of the SEBI Listing Regulations, the Act and other SEBI Regulations and principles of good governance, the Company has formulated a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company. The Policy provides for framework and process to encourage and facilitate employees and Directors to voice their concerns or observations without fear, or raise reports to the Management, of instance of any unethical or unacceptable business practice or event of misconduct/ unethical behaviors, actual or suspected fraud and violation of Company's Code of Conduct etc.

The Policy provides for adequate safeguards against victimization of persons who avail such mechanism. To encourage employees to report any concerns and to maintain anonymity the Policy provides a dedicated email id wherein the grievances or concerns can be reported to the Corporate Governance Committee, constituted for the administration and governance of the Policy. The Policy also facilitates direct access to the Chairman of the Audit Committee in appropriate or exceptional cases through a dedicated email id. The Whistle Blower Policy / Vigil Mechanism Policy adopted by the Company is available on the website of the Company i.e. www.baluindustries.com.

During the financial year 2025-26, the Company had not received any complaints pursuant to Whistle Blower/ Vigil Mechanism Policy.

During the year under review, none of the personnel has been denied access to the Chairman of the Audit Committee.

D. Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining material subsidiaries in terms of the SEBI Listing Regulations. This Policy has been posted on the website of the Company at the https://www.baluindustries.com/corporate-governance.php

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings of the subsidiaries are placed at the meeting of the Board of Directors of the Company. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary, if any.

E. Policy on dealing with Related Party Transactions

The Company has formulated a policy on Related Party Transactions in line with the requirements of Section 177 (4) (iv) and 188 of the Companies Act, 2013 read with Rules framed thereunder and the SEBI Listing Regulations. This Policy has been posted on the website of the Company at the https://www.baluindustries.com/corporate-governance.php

F. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints received and disposed of during the year ending 31st March, 2026 is given in the Directors' report.

G. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year

The Company has been rated by ICRA Limited vide its letter dated 09th February, 2026 for its bank facilities as follows;

SR. NO.	INSTRUMENT	RATING
1.	Long-term-Fund-based-Term loan	[ICRA]A-(Stable); Assigned
2.	Long-term/Short-term-Fund-based/non-fund based-Working Capital Facilities	[ICRA]A-(Stable)/[ICRA]A2+; Reaffirmed/ Assigned for enhanced amount
3.	Long-term/Short-term-Unallocated limits-Unallocated limits	[ICRA]A-(Stable)/[ICRA]A2+; Assigned
4.	Short-term-Non-fund based Facilities	[ICRA]A2+; Assigned

The above rating indicates moderate degree of safety regarding timely servicing of financial obligations.

H. Details of utilization of funds raised through Preferential Allotment

The proceeds of funds raised under preferential issue of the Company are utilized as per Objects of the Issue. The disclosure in compliance with the Regulation 32 (7A) of the Listing Regulations is as under:

Out of the total fund raised by the Company under preferential issue:

a) Preferential Allotment dated 10th September, 2024:

Out of the total proceeds of ₹ 49,680 Lakhs, the complete consideration amount of ₹ 49,680 Lakhs which includes both 100% of consideration of Equity shares and 25% of the consideration of warrants, has been received and utilised till 31st March, 2026.

Sr No.	Particulars	Total fund raised under preferential issue	Actual utilisation of proceeds upto 31st March, 2025 (₹ in Lakhs)	Actual utilisation of proceeds upto 31st March, 2026 (₹ in Lakhs)
1.	For Purchase and installation of plant & machinery, expansion, company long-term working capital to meet general corporate purpose	18900.00	12622.50	16332.00
2.	For long term working capital and to meet general corporate purposes.	30780.00	11947.50	30780.00

I. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount':

The particulars of Loans and advances in the nature of loans to companies in which directors are interested by the Company and its subsidiaries during the year under review has been disclosed in the note no. 47 of Standalone Financial Statements.

J. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Sr No.	Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of Appointment of Statutory Auditors
1.	Safa Otomotiv FZ – LLC	17/01/2021	Dubai	NBN Auditing of Accounts	06/02/2023

K. Certificate from a Company Secretary in practice

A certificate from the Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority attached with this Annual Report.

L. MD and CFO Certification

Certificate from Mr. Jaspalsingh Chandock, Chairman & Managing Director and Mr. Sandeep Singh Chadha, Chief Financial Officer of the Company, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the financial year 2025-2026 was placed before the Board at its meeting held on 30th May, 2026, and also forms part of this Annual Report.

M. Declaration Affirming Compliance of Code of Conduct

The Company has received confirmations from all the Board of Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Managing Director affirming compliance of Board Members and Senior Management Personnel to the Code is annexed herewith.

N. Total fees paid by the Company and its subsidiaries, on a consolidated basis to Statutory Auditors and all entities in its network firm/network entity, during the Financial Year 2025-26.

Total fees for all services paid by the Company to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended 31st March, 2026 is ₹ 21,59,000/- [Rupees Twenty-One Lakh Fifty-Nine Thousand Only].

O. During FY 2025-26, there were no instances where the Board had not accepted any recommendation of any committee of the Board.

13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the SEBI Listing Regulations.

14. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

The Company has voluntarily complied with the following discretionary requirements as provided under Regulation 27(1) read with Part E of the Schedule II of the SEBI Listing Regulations:

- Modified opinion(s) in audit report: The Statutory Auditors have issued an unmodified audit opinion on the financial statements of the Company for the year ended 31st March, 2026.
- Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee for functional matters and presents the internal audit report to the Audit Committee every quarter.

15. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Your Company has complied with all the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, wherever applicable to your Company.

CODE OF CONDUCT DECLARATION

In terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the affirmations provided by the Directors and Senior Management Personnel of the Company to whom Code of Conduct is made applicable, it is declared that the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct for the year ended 31st March, 2026.

Sd/-

Jaspalsingh Chandock
Chairman & Managing Director
DIN: 00813218

Place: Mumbai
Date: 07th September, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

To,
The Members,
Balu Forge Industries Limited
506, 5th Floor, Imperial Palace,
45 Telly Park Road, Andheri (East),
Mumbai- 400069, Maharashtra, India

We have examined the relevant registers records forms returns and disclosures received from the Directors of **Balu Forge Industries Limited** having **CIN L29100MH1989PLC255933** and having **Registered Office at 506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East), Mumbai- 400069, Maharashtra, India** (hereinafter referred to as 'the Company'), for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2026, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Sr No.	Name of Director	DIN	Original Date of Appointment in the Company	Date of Resignation
1	Jaspalsingh Chandock	00813218	19/11/2020	-
2	Trimaan Chandock	02853445	19/11/2020	-
3	Jaikaran Chandock	06965738	19/11/2020	-
4	Raghvendra Raj Mehta	01947378	28/09/2021	-
5	Radhey Shyam Soni	07962657	30/06/2021	-
6	Shalu Laxmanraj Bhandari	00012556	30/06/2021	-
7	Roop Lal Meena	10938270	07/02/2025	-

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **AABID & CO.**
Company Secretaries

Sd/-
CS Mohammed Aabid
Partner
M No.: F6579
COP No.: 6625
Peer Review No.: P2007MH076700
UDIN: F006579H001251251

Date: 27th August 2026
Place: Mumbai

COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Balu Forge Industries Limited
506, 5th Floor, Imperial Palace,
45 Telly Park Road, Andheri (East),
Mumbai- 400069, Maharashtra, India

We have examined the compliance of conditions of Corporate Governance by Balu Forge Industries Limited ('the Company') for the financial year ended March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, **AABID & CO.**
Company Secretaries

Sd/-
CS Mohammed Aabid
Partner
M No.: F6579
COP No.: 6625
Peer Review No.: P2007MH076700
UDIN: F006579H001251119

Date: 27th August 2026
Place: Mumbai

Managing Director (MD) and Chief Financial Officer (CFO) Certification

We hereby certify that:

a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2026 and to the best of our knowledge and belief

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.

c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

- Significant changes in internal control during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank you.
Yours truly,
For **Balu Forge Industries Limited**

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
DIN: 00813218

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Place: Mumbai
Date: 30th May, 2026

Annexure II

Business Responsibility & Sustainability Reporting Format

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	: L29100MH1989PLC255933
2	Name of the Listed Entity	: Balu Forge Industries Limited
3	Year of incorporation	: 1989
4	Registered office address	: 506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East) , Mumbai, Maharashtra, India – 400069
5	Corporate address	: 506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East) , Mumbai, Maharashtra, India – 400069
6	E-mail	: compliance@baluindustries.com
7	Telephone	: 91-8655075578
8	Website	: https://www.baluindustries.com
9	Financial year for which reporting is being done	: 1st April, 2025 to 31st March, 2026
10	Name of the Stock Exchange(s) where shares are listed	: National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE)
11	Paid-up Capital	: ₹ 12,139.19 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	: Ms. Tabassum Begum Compliance officer Telephone: 91-8655075578 Email: compliance@baluindustries.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	: This report is prepared on standalone basis.
14	Name of assessment or assurance provider	No independent external assessment or assurance was obtained for FY 2025–26.
15	Type of assessment or assurance obtained	The BRSR was reviewed internally by the management and such review does not constitute independent assessment or assurance.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture	Metal Products	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Finished Machined Metal Products	3099	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	1	4
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	3
International (No. of Countries)	50+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

55.23%

c. A brief on types of customers

Balu Forge Industries Limited supplies precision-forged and machined components to original equipment manufacturers and Tier-1 customers across automotive, industrial machinery, agriculture, railways, defence, aerospace, wind energy, marine and oil and gas applications. Its products include crankshafts, transmission and undercarriage components, turbine blades, brake and hydraulic components and other close-tolerance engineered parts supplied to customers in India and international markets.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. C	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	80	72	90%	8	10%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	**80**	**72**	**90%**	**8**	**10%**
	WORKERS					
4.	Permanent (F)	99	99	100%	0	0%
5.	Other than Permanent (G)	354	350	99%	4	1%
6.	**Total workers (F + G)**	**453**	**449**	**99%**	**4**	**1%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. C	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0%**	**0**	**0%**

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	5	1	20%

22. Turnover rate for permanent employees and workers

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4%	-	4%	3%	-	3%	5%	-	5%
Permanent Workers	5%	-	5%	6%	-	6%	10%	-	10%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Safa Otomotiv FZ – LLC	Subsidiary	100%	No
2	Naya Energy Works Private Limited	Subsidiary	100%	No
3	Advanced Technologies & Systems Private Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover – **₹ 64,742.26 Lakhs**

(iii) Net worth (Total equity) - **₹ 1,36,773.34 lakhs**

VII. Transparency and Disclosures Compliances

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The relevant policies supporting the principles of the BRSR, including the grievance redressal mechanism, are available at https://www.baluindustries.com/corporate-governance.php.	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)		Nil	Nil	-	Nil	Nil	-
Shareholders		Nil	Nil	-	1	1	-
Employees and workers		Nil	Nil	-	Nil	Nil	-
Customers		Nil	Nil	-	Nil	Nil	-
Value Chain Partners		Nil	Nil	-	Nil	Nil	-
Other (please specify)		Nil	Nil	-	Nil	Nil	-

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt ormitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Market Demand Fluctuations	Risk	Demand volatility in end-user industries such as commercial vehicles, agriculture, railways, and energy, driven by regulatory changes, technological shifts, and cyclical trends.	Diversify product portfolio across multiple sectors, expand into new geographic markets, and maintain flexible manufacturing capabilities to balance sectoral downturns.	**Negative:** Loss of revenue and margin pressure during sectoral slowdowns. **Positive:** Diversification and sectoral balancing can stabilize revenues and mitigate downturn impact.
2	Innovation	Opportunity	OEMs and Tier-1 suppliers demand precision manufacturing, automation, and innovation in forging.	Invest in R&D, integrate advanced machinery and IT systems to improve efficiency and innovation.	**Positive:** Productivity gains, cost efficiency, stronger market positioning, and higher margins.
3	Customer Relationships & Retention	Opportunity	Global OEMs prefer partners with sustainable practices and long-term reliability.	Strengthen customer engagement, transparent disclosures, ethical sourcing, and compliance with international standards.	**Positive:** Increased repeat orders, lower acquisition costs, long-term revenue stability.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt ormitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Energy Efficiency and Sustainability	Opportunity	Stringent environmental regulations and stakeholder expectations push adoption of sustainable practices in operations.	Transition to renewable energy, energy-efficient technologies, LED lighting, natural ventilators, and waste minimization.	**Positive:** Lower operating costs, regulatory compliance, improved ESG ratings, enhanced stakeholder trust.
5	Skilled Labour Shortage	Risk	Shortage of skilled operators and engineers for advanced forging and machining technologies.	Upskilling programs, partnerships with technical institutes, in-house training, competitive remuneration packages.	**Negative:** Higher training costs, risk of delays, productivity loss if unaddressed.
6	Cybersecurity Threats	Risk	Greater digitalization exposes the company to cyber risks, including potential data breaches and operational disruptions.	Implement robust cybersecurity infrastructure, conduct regular audits, and provide ongoing employee training.	**Negative:** Financial losses, reputational damage, legal liabilities, and possible operational interruptions.
7	Partnerships and Alliances	Opportunity	Strategic collaborations and mergers enable capability expansion, market reach, and business resilience.	Pursue partnerships and alliances that leverage mutual strengths and open new market opportunities.	**Positive:** Access to new revenue streams, enhanced competitive advantages, and sustained growth potential.
8	Occupational Health & Safety	Risk	Post-pandemic concerns and regulatory vigilance demand strong health & safety culture.	Regular training, ISO 45001:2018 compliance, proactive safety monitoring, and upgraded workplace safety infrastructure.	**Negative:** Penalties, legal liabilities, reduced workforce productivity if non-compliant.
9	Corporate Governance	Opportunity	Ethical conduct and transparency build investor confidence and meet global procurement requirements.	Strengthen governance practices, disclosure standards, and internal controls to ensure accountability.	**Positive:** Lower cost of capital, enhanced investor and stakeholder trust, sustainable growth.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Question		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Policies on HR, ISO, CSR, Insider Trading, Related Party etc. are available on https://www.baluindustries.com/corporate-governance.php								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company's management systems are aligned with ISO 9001, ISO 14001, ISO 45001 and IATF 16949:2016. The validity, scope and locations covered by each certification for FY 2025-26 should be read with the current certificates maintained by the Company.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Considering the Company's ongoing capacity expansion and the resulting increase in its operational footprint, management reviewed and revised the sustainability commitments and timelines as follows: **Net-zero emissions:** Achieve net-zero Scope 1 and Scope 2 greenhouse-gas emissions by 2040. **Renewable energy:** Source 50% of the Company's total electricity consumption from renewable sources by 2035. **Water management:** Recycle and reuse at least 50% of the wastewater generated at manufacturing locations and achieve Zero Liquid Discharge at all applicable locations by 2035. **Diversity and inclusion:** Increase women's representation in defined leadership positions by 20% over the FY 2025–26 baseline by 2035. Progress against these commitments will be monitored annually by the designated Sustainability Committee. The revised timelines reflect the Company's expanded manufacturing capacity and the corresponding changes in energy, water and infrastructure requirements.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	During FY 2025-26, the Company continued to implement its sustainability roadmap alongside the expansion of its integrated forging and precision-machining platform. Progress was monitored by the designated management forum, with emphasis on energy and resource efficiency, occupational health and safety, responsible sourcing and stronger ESG data controls. Performance against quantitative commitments is disclosed under the relevant Principles and remains subject to validation against the FY 2025-26 records.								

Disclosure Question		P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	During FY 2025-26, Balu Forge Industries Limited strengthened its integrated manufacturing platform and expanded its ability to serve automotive, industrial, railway, defence, aerospace and other critical engineering applications. The Company commercialised advanced precision-machining capabilities, including 7-axis and 11-axis CNC lines, and progressed the commissioning and stabilisation of strategic production assets at its Hattargi manufacturing campus. As operations scaled, the principal ESG challenge was to improve energy and resource efficiency without compromising product quality, delivery reliability or workplace safety. The Company's response includes modern equipment, process automation, digital monitoring, preventive maintenance and the progressive integration of renewable-energy solutions into its manufacturing infrastructure. Water conservation and waste minimisation remained operational priorities. The Company continued to focus on monitoring water use, maximising reuse of treated water where technically feasible, segregating waste at source and routing process scrap, hazardous waste and e-waste through authorised recyclers or disposal agencies. On the social front, BFIL continued to prioritise occupational health and safety, technical skill development, employee well-being, equal opportunity and a respectful workplace. Training and capability-building are particularly important as the Company introduces advanced forging, machining, automation and defence-manufacturing processes. The next phase of the Company's ESG programme will require stronger site-level data capture, measurable performance against approved targets and deeper engagement with suppliers on environmental, labour and ethical standards. The Management Committee and senior management review these matters and place material developments before the Board and its relevant Committees. BFIL remains committed to integrating responsible business practices with disciplined capacity expansion, technological upgradation and long-term value creation for customers, employees, communities, investors and other stakeholders.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Trimaan Chandock Whole-time Director (DIN 02853445)								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Sustainability-related matters are coordinated through the Management Committee and the responsible senior management functions, with material matters escalated to the Board and its relevant Committees. The forum reviews environmental, social, governance and economic priorities, monitors implementation and recommends corrective action.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The implementation and effectiveness of the policies are reviewed periodically by the designated management functions and, where applicable, by the relevant Board Committees. The frequency of review varies according to the nature of the policy, statutory requirements and the risk involved.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance with applicable statutory and regulatory requirements is monitored through the Company's compliance framework. Significant matters, exceptions and corrective actions are reported to the appropriate management forum or Board Committee for review and closure.																	

11.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)#	4	During FY 2025-26, orientation and awareness sessions for the Board of Directors included corporate governance, insider trading, applicable SEBI requirements, ESG and BRSR developments, and updates on the Company's businesses, product portfolio and strategic manufacturing initiatives.	86%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel (KMP)#	4	Programmes for Key Managerial Personnel during FY 2025-26 covered governance and compliance matters, related-party transactions, ethics and anti-bribery, data privacy, human rights, prevention of sexual harassment, environment, health and safety, energy management and relevant SEBI and LODR updates.	100%
Employees other than BoD and KMPs	12	Employee programmes during FY 2025-26 covered the Code of Conduct, ethics, anti-bribery, POSH, cybersecurity, ESG and BRSR awareness, environment, health and safety, machine and product safety, technical capability development, teamwork and communication. Delivery included classroom, toolbox and digital learning formats, as relevant to the role.	100%
Workers	48	Worker training during FY 2025-26 focused on safe operating practices, use of personal protective equipment, machine and product safety, emergency preparedness, POSH, ethics, ESG awareness and job-specific skill development.	69%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

During the financial year 2025-26, Balu Forge Industries Limited, including its Directors and Key Managerial Personnel (KMPs), did not incur any monetary or non-monetary fines, penalties, punishment, award, compounding fees or settlement amounts in any proceedings with regulators, law enforcement agencies or judicial institutions, applying the materiality thresholds specified in Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	Not Applicable	Not Applicable	Nil	Not Applicable	Not Applicable
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web- link to the policy.

The Company has adopted an Anti-Bribery and Anti-Corruption Policy reflecting zero tolerance for bribery, facilitation payments and other improper benefits. Directors, employees and persons acting on behalf of the Company are required to conduct business in accordance with applicable law and the Code of Conduct, avoid improper influence over business decisions and report suspected violations through the available grievance or vigil mechanisms. Relevant expectations are also communicated to suppliers and business partners.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict to interest of the Directors	Nil	NA	Nil	NA
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest –

Not Applicable

8. Number of days of accounts payables ({Accounts payable *365} / Cost of goods/services procured):

	FY 2025-26	FY 2024-25
No of days of accounts payable	69	96

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0

Parameter	Metrics	FY 2025-26	FY 2024-25
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	7%
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	14%	54%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners} under the awareness programmes
8	During FY 2025–26, the Company conducted training and awareness programmes for its manpower service providers, primarily covering anti-bribery and anti-corruption practices and the protection of human rights. The Company also continued assessing suppliers against relevant Environmental, Social and Governance (ESG) criteria to monitor their performance and encourage continuous improvement.	81%

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Code of Conduct and the Company's governance framework require Directors and senior management to disclose actual or potential conflicts of interest and to abstain from participating in deliberations or decisions in which they have an interest. Related-party matters and other conflicts are reviewed and approved by the competent authority in accordance with applicable law and the Company's policies.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D*	0.38%	0.27%	The Company's R&D programme supports new-product development, process optimisation, material engineering and the machining of increasingly complex components. During FY 2025-26, these capabilities supported advanced precision machining and the expansion into defence, aerospace, railway, energy and other high-value engineering applications.
Capex	1.09%	0.91%	Capital expenditure during FY 2025-26 was directed towards advanced forging and machining assets, automation, testing and quality infrastructure, emission-control and utility systems, and capacity expansion at the Hattargi campus. These investments are intended to improve process control, productivity, traceability, energy efficiency and the ability to manufacture complex components with a lower resource intensity over time.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

The Company integrates environmental, legal, labour, health and safety and ethical requirements into supplier onboarding and periodic evaluation. Suppliers are expected to comply with applicable law and the Supplier Code of Conduct, maintain required quality and management-system standards, and support BFIL's responsible-sourcing objectives. Preference for local sourcing is exercised where the required technical specifications, quality and commercial conditions can be met.

b. **If yes, what percentage of inputs were sourced sustainably?**

Vendors are chosen under the sustainable procurement framework, with most materials procured from suppliers who have successfully passed ESG compliance evaluations.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

BFIL manufactures durable metal components that retain recoverable material value and can generally be recycled or refurbished. As these products are supplied mainly to OEMs and Tier-1 customers for incorporation into larger assemblies, the Company has limited control over end-of-life collection. Accordingly, BFIL does not currently operate a formal product take-back mechanism. Within its operations, plastic waste, process scrap, e-waste, hazardous waste and other recyclable materials are segregated at source. During FY 2025–26, 8.40 MT of plastic waste was reused or recycled. Further, 19.76 MT of hazardous waste was safely disposed of through authorised agencies. E-waste, metal scrap and other recyclable materials are also routed through authorised recyclers or disposal agencies. Reusable metal pallets, bins and packaging materials are used wherever practicable to minimise waste generation.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format**

The Company had not conducted a life cycle assessment for any of its products and intended to carry out LCA in subsequent years.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Not Applicable

3. **Recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

The Company primarily uses alloy steel and other specified grades of steel procured in accordance with customer-specific product, metallurgical and quality requirements. The use of recycled or reused input materials is therefore subject to compliance with prescribed technical specifications, safety and performance standards, quality-control procedures and, wherever applicable, approval from OEM customers. Metal scrap generated during manufacturing is segregated at source and transferred to authorised recyclers for recovery and recycling. Reusable process materials, metal pallets, bins and packaging materials are retained and reused wherever technically and operationally feasible. The percentage of recycled or reused input materials used during FY 2025–26 and FY 2024–25, calculated by value of total input materials.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Particulars	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	5.89	2.51	-	5.27	1.87	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	19.76	-	-	17.26
Other waste	-	2.79	-	-	2.10	-

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

As BFIL's components are supplied principally to OEMs and Tier-1 customers for incorporation into larger products, the Company has limited control over their collection at end of life. Scrap and recoverable materials generated within BFIL's own operations are managed through authorised recycling and disposal channels.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of Employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities@	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent Employees											
Male	72	49	68%	28	39%	0	0	0	0	0	0
Female	8	8	100%	0	0	8	100%	0	0	0	0
Total	**80**	**57**	**71%**	**28**	**35%**	**8**	**10%**	**0**	**0**	**0**	**0**
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. **Details of measures for the well-being of workers:**

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities@	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent Workers											
Male	99	99	100%	99	100%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**99**	**99**	**100%**	**99**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent Workers											
Male	350	178	51%	188	54%	0	0	0	0	0	0
female	4	4	100%	4	100%	0	0	0	0	0	0
Total	**354**	**182**	**51%**	**192**	**54%**	**0**	**0**	**0**	**0**	**0**	**0**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.26%	0.31%

2. **Details of retirement benefits, for Current FY and Previous FY.**

Benefits	FY 2025-26*			FY 2024-25*		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF #	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI #	100%	100%	Y	100%	100%	Y

100% of eligible employees / workers under PF & ESC Regulation are covered.

3. **Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

The Company seeks to provide accessible workplaces in accordance with the Rights of Persons with Disabilities Act, 2016. Accessibility measures include, as applicable to the location, step-free or assisted access, suitable door and washroom fixtures, adequate lighting and circulation space, and visible signage.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The Company's Equal Opportunity Policy is intended to provide fair treatment and non-discrimination in recruitment, employment, development and workplace access, including for persons with disabilities, in accordance with the Rights of Persons with Disabilities Act, 2016.

5. **Return to work and Retention rates of permanent employees that took parental leave:**

No permanent employee or worker availed parental leave during the year and, accordingly, return to work and retention rates were not applicable.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	The Company provides multiple channels for employees and workers to raise grievances, including reporting to supervisors or HR, grievance registers or complaint boxes, the vigil mechanism and designated committees. Contract workers may report concerns through contractor representatives, Company supervisors or HR. Complaints are reviewed by the responsible function, escalated where required and tracked to closure while maintaining confidentiality to the extent practicable. The POSH framework provides a separate mechanism for reporting and investigating sexual-harassment complaints through the Internal Committee. Periodic awareness sessions are conducted on workplace conduct, non-retaliation, the grievance process and the vigil mechanism.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	72	0	0	55	0	-
Female	8	0	0	3	0	-
Total Permanent Workers						
Male	99	0	0	92	0	-
Female	0	0	0	0	0	-

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety Measures		On skill upgradation		Total (D)	On Health and Safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees (Other than workers) (incl. permanent + Other than permanent)										
Male	72	50	69%	41	53%	55	29	53%	43	78%
Female	8	8	100%	7	88%	3	3	100%	2	67%
Total	**80**	**58**	**73%**	**45**	**56%**	**58**	**32**	**55%**	**45**	**78%**
Workers (Only permanent)										
Male	99	80	81%	0	0%	92	80	87%	65	71%
Female	0	0	0%	0	0%	0	0	-	0	-
Total	**99**	**80**	**81%**	**0**	**0%**	**92**	**80**	**87%**	**65**	**71%**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees (Other than workers) (incl. permanent + Other than permanent)						
Male	72	72	100%	55	28	51%
Female	8	7	88%	3	3	100%
Total	**80**	**79**	**99%**	**58**	**31**	**53%**
Workers (Only permanent)						
Male	99	99	100%	92	92	100%
Female	0	0	0	0	0	0%
Total	**99**	**99**	**100%**	**92**	**92**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. BFIL operates an Occupational Health and Safety Management System aligned with ISO 45001:2018 for its manufacturing activities. The framework covers employees, contract workers and on-site work, and includes hazard identification, risk assessment, operational controls, incident reporting, emergency preparedness, training, medical surveillance and continual improvement.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BFIL identifies and assesses work-related hazards for routine and non-routine activities through its occupational health and safety framework. The principal controls include:

- Hazard Identification and Risk Assessment (HIRA) and job-safety analysis for processes, equipment and activities;
- Documented safe operating procedures, method statements and permit-to-work controls for higher-risk activities;
- Pre-start checks, toolbox talks and task-level risk review before work commences;
- Communication of identified hazards, control measures and emergency requirements to employees and contractors;
- Incident and near-miss reporting, root-cause analysis and time-bound corrective and preventive action; and
- Periodic workplace inspections, internal audits and management review under the ISO 45001-aligned management system.

The hierarchy of controls is applied to eliminate hazards where practicable and otherwise reduce risks through engineering, administrative and personal-protective measures.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. Employees and workers may report unsafe conditions, hazards, near misses and incidents to their supervisor, the EHS team, through safety meetings or the available grievance and vigil channels. Personnel are instructed not to commence or continue work where an imminent and serious risk is identified and to seek supervisory and EHS intervention. Reported matters are investigated, corrective actions are assigned and closure is monitored.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. In addition to statutory occupational-health arrangements, eligible employees and workers have access to medical support through insurance or benefit schemes, periodic health check-ups, on-site first-aid arrangements and referrals to external healthcare providers. Awareness programmes on preventive health and well-being are conducted based on identified needs.

11. Details of safety-related incidents, in the following format:

Safety Incident / Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Worker#	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Worker#	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Worker	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Worker	Nil	Nil

Including the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

BFIL's EHS framework combines engineering controls, safe operating procedures, permit-to-work requirements, toolbox talks, job-specific training, personal protective equipment, safety inspections, internal audits and emergency mock drills. These measures are intended to prevent injuries and occupational illness across manufacturing and support activities.

Hazards and environmental aspects are reviewed through HIRA and aspect-impact assessments. Near misses, unsafe acts and unsafe conditions are reported and investigated, and corrective and preventive actions are tracked. Periodic medical surveillance, fire-prevention measures and employee participation in safety initiatives support continual improvement in the Company's safety performance.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	N.A.	Nil	Nil	N.A.
Health & Safety	Nil	Nil	N.A.	Nil	Nil	N.A.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Safety incidents, near misses and significant observations are investigated to determine immediate, underlying and root causes. The Company revises risk assessments, operating procedures, engineering controls and training requirements where necessary, and monitors corrective and preventive actions through the EHS review process. Contractor representatives are involved where the matter relates to contract labour or contractor-managed activities.

Lessons from incidents and assessments are communicated through toolbox talks, safety alerts and focused training. The effectiveness of corrective action is checked through follow-up inspections and audits.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

A) Employees –No

B) Workers – No

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Contractors and other relevant value-chain partners are contractually required to comply with applicable labour, social-security and tax obligations. The Company obtains and reviews prescribed compliance documents, including wage-payment evidence and PF, ESIC and GST records, as applicable, before or during payment processing. Exceptions are followed up with the contractor and escalated under the Company's compliance process.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

The Company provides role-based technical, functional and behavioural training during employment to strengthen continued employability. Where retirement, role change or separation requires support, transition assistance include counselling, knowledge transfer, reskilling or guidance on available benefit and settlement processes, depending on the circumstances.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Vendors accounting for 65% of the total value have undergone assessment through either physical audits or documentation reviews.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Health, safety and working-condition expectations are communicated through the Supplier Code of Conduct, contractual terms and supplier onboarding. Findings from document reviews or site assessments are communicated to the concerned partner, with corrective actions and timelines agreed according to risk. Closure is verified through supporting documentation or follow-up assessment.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

BFIL identifies stakeholders by considering their influence on the business and the actual or potential effect of the Company's activities on them. Key groups include employees and workers, customers, suppliers and contractors, investors and shareholders, government and regulators, local communities, industry bodies, media and CSR partners. Engagement is undertaken through the channels and frequencies set out below, and material feedback is considered in risk management, operating decisions and sustainability priorities.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / Investors / Analysts	No	Annual General Meeting, shareholder meetings, investor/analyst calls, emails, press releases, stock exchange intimations, company & exchange websites	Quarterly / Annually / As needed	Review performance (financial health, dividends, profitability), discuss growth opportunities, risks (including climate change & cyber threats), and address investor concerns.
Employees	No	Leadership updates, grievance redressal cells, one-on-one meetings, exit interviews, HR communications, emails, workshops, training sessions	Ongoing / Regularly	Discuss career growth and performance, ensure job satisfaction, training & development, well-being and safety, clarify expectations, share vision & goals, and encourage employee engagement.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Website, helpdesk, distributor/ retailer meetings, conferences, trade fairs, joint business plans, publications, social & digital media	Ongoing / Regularly	Build long-term relationships, anticipate needs, ensure quality service, strengthen trust, and respond proactively to feedback.
Vendors / Subcontractors	No	Vendor meetings, emails, policy communications, sustainability assessments	Ongoing / Periodically	Share expectations on quality, cost, and timely delivery, exchange best practices, and align on growth plans.
Government & Regulatory Authorities	No	Meetings, emails, regular liaison, industry association forums, regulatory representations	Periodically	Ensure compliance with regulations, maintain governance standards, tax reporting, and engage in policy advocacy.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder consultation is undertaken through the functions responsible for investor relations, customer service, procurement, human resources, EHS, compliance and CSR. Material economic, environmental and social matters are consolidated by management and escalated to the Board or the relevant Committee through periodic performance, risk and compliance reporting.

Feedback is used to refine policies, operating controls and engagement plans. Examples include customer input on product quality and traceability, workforce input on safety and working conditions, supplier discussions on quality and responsible sourcing, and community consultation while designing CSR programmes.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder inputs are considered in the Company's materiality and risk-review processes. The results inform the priority topics addressed through policies, operating procedures, performance indicators and improvement plans, including product quality, occupational safety, energy and resource efficiency, ethical conduct, responsible sourcing and community development.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company's CSR and community-engagement approach seeks to address the needs of vulnerable and marginalised groups in and around its operating areas. During FY 2025-26, engagement was undertaken through implementing partners and local institutions, with emphasis on education, skills and community development.

Category	Vulnerable Group	Concerns	Action Taken	Impact
Promoting education, including special education and vocational skills	Rural communities in Kota, Rajasthan (students, youth, women)	• Limited access to digital learning tools • Lack of infrastructure in rural villages • Skill gap for employability	• Set up Digital Resource Centre with e-learning facilities, vocational training, and community awareness programs	• Improved access to digital education • Enhanced skill development and employability • Increased literacy and awareness in the nodal village

Category	Vulnerable Group	Concerns	Action Taken	Impact
Promoting education, livelihood enhancement and allied activities	Students from Tamil Nadu, Punjab, Kerala, Haryana, Uttar Pradesh, etc.	• Inadequate school facilities in semi-urban/rural areas • Need for affordable quality education	• Supported Snehalaya Education Foundation Sanchalit Seth R.J. Shingavi Vidyalaya (Karamba) through funding and program support	• Improved school infrastructure and quality of education • Wider access to education across multiple states

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	80	61	76%	58	28	48%
Other than Permanent	0	0	0%	0	0	0%
Total Employees	**80**	**61**	**76%**	**58**	**28**	**48%**
Workers						
Permanent	99	58	59%	92	42	46%
Other than Permanent	354	175	49%	354	153	43%
Total Workers	**453**	**233**	**51%**	**446**	**195**	**44%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum wages		More than minimum wages		Total (D)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	72	0	0%	72	100%	55	0	-	55	100%
Female	8	0	0%	8	100%	3	0	-	3	100%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	-	0	-
Female	-	0	0%	0	0%	0	0	-	0	-
Workers										
Permanent										
Male	99	99	100%	0	0%	99	0	-	99	100%
Female	-	0	0%	0	0%	0	0	-	0	-
Other than Permanent										
Male	350	89	25%	261	75%	350	128	37%	222	63%
Female	4	4	100%	0	0%	4	4	100%	0	-

3. **Details of remuneration/salary/wages, in the following format:**

a. **Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ in Lakhs)	Number	Median remuneration/ salary / wages of respective category (₹ in lakhs)
Board of Directors (BoD)	3	144.00		
Key Managerial Personnel	1	16.94	1	10.89
Employees other than BoD and KMP	68	5.84	7	4.19
Workers	449	1.86	4	1.65

The Board of Directors row covers whole-time directors in receipt of managerial remuneration. Sitting fees and commission paid to non-executive and independent directors are disclosed in the Corporate Governance Report.

b. **Gross wages paid to females as % of total wages paid by the entity:**

	FY 2025-26	FY 2024-25
Gross wages paid to females as% of total wages	1.02%	3.32%

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Head of Human Resources is the operational focal point for human-rights issues affecting employees and workers. Matters may also be raised through the grievance mechanism or vigil mechanism, while sexual-harassment complaints are handled by the Internal Committee constituted under the POSH Act. Significant matters are escalated to the appropriate senior management or Board Committee.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Human-rights-related grievances may be reported to HR, the Grievance Redressal Team, through the vigil mechanism or other designated reporting channels. POSH matters are referred to the Internal Committee. Complaints are acknowledged, investigated by the competent function and tracked to closure, with confidentiality and protection against retaliation applied in accordance with the relevant policy and law.

The Company monitors grievance trends and policy compliance and provides access to statutory or judicial remedies without restricting an affected person's legal rights.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at Workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   BFIL does not tolerate discrimination, bullying, harassment, forced or child labour, or retaliation against a person raising a concern in good faith. The Human Rights, POSH, Equal Opportunity and vigil-mechanism frameworks provide reporting and investigation channels. Substantiated violations may result in disciplinary action or corrective action with the concerned business partner, depending on the nature and severity of the matter.

9. **Do human rights requirements form part of your business agreements and contracts?**

   Suppliers and contractors are expected to comply with the Supplier Code of Conduct and applicable human-rights and labour laws. The requirements cover safe working conditions, non-discrimination, wages and working hours, freedom from child and forced labour, ethical conduct and environmental compliance.

   These expectations are communicated during onboarding and through contractual or procurement documentation. Risk-based document reviews and supplier assessments are used to identify gaps, communicate corrective action and monitor closure.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The company conducted an internal assessment across 100% of its locations.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	N.A.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    Nil

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

   The Company did not receive any human rights grievance during the year.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   Human-rights considerations are integrated into the Company's broader HR, compliance and supplier-review processes. During FY 2025–26, the Company continued to strengthen this framework through policy communication, grievance monitoring and risk-based reviews. However, no separate human-rights due-diligence exercise was conducted during the year.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   As at 31 March 2026, Company's premises provide accessible entry, circulation and sanitation facilities for differently-abled visitors. Accessibility requirements under the Rights of Persons with Disabilities Act, 2016 and the Harmonised Guidelines and Standards for Universal Accessibility in India, 2021 are incorporated in new construction and in planned modifications at the remaining locations.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Vendors representing 65% of key value chain partners, have been assessed for workplace discrimination through physical audits and documentation reviews. The remaining suppliers have signed a Code of Conduct addressing issues such as child labor and forced labor, and are expected to comply with its requirements.
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

The assessment of key vendors was completed in FY 2025-26, with all observations and non-conformances duly recorded. No significant risk cases were identified.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources (in GJ)		
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources (in GJ)		
Total electricity consumption (D)	1,06,231	92,231
Total fuel consumption (E)	6,421	5,435
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	**1,12,652**	**97,666**
Total energy consumed (A+B+C+D+E+F)	**1,12,652**	**97,666**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations (₹ Lakhs))	1.74	1.63
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	35.39	33.68
Energy intensity in terms of physical output		
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

For FY 2025–26, the PPP conversion rate of 20.34, as published by the IMF, has been applied. The corresponding PPP conversion rate applied for FY 2024–25 was 20.66, based on the IMF data available for March 2025.

Note: Indicate If any Independent assessment/ evaluation/assurance has been carried out by an external agency?

(YIN) If yes. name of the external agency: No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company did not have any site or facility notified as a designated consumer under the Perform, Achieve and Trade (PAT) Scheme.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	59,556	39,821
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	59,556	39,821
Total volume of water consumption (in kilolitres)	32,938	19,768
Water intensity per rupee of turnover (Total water consumption / Revenue from operations (₹ Lakhs))	0.51	0.33
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations (₹ Lakhs) adjusted for PPP)	10.35	6.82
Water intensity in terms of physical output	-	-
Water intensity(optional)–the relevant metric may be selected by the entity	-	-

For FY 2025–26, the PPP conversion rate of 20.34, as published by the IMF, has been applied. The corresponding PPP conversion rate applied for FY 2024–25 was 20.66, based on the IMF data available for March 2025.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency: No.

4. **Provide the following details related to water discharged:**

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment	26,618	18,632
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**26,618**	**18,632**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The Company treats sewage and industrial effluent in accordance with the consent conditions and requirements applicable to each location. Treated water is reused in process or utility applications wherever technically feasible. An effluent-treatment system is operated at the relevant manufacturing facility; the precise coverage of zero-liquid-discharge arrangements and progress against any stated 2030 target should be confirmed and reconciled with the site-level water disclosures for FY 2025-26.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm^3	86	30
SOx	mg/Nm^3	73	18
Particulate matter (PM)	mg/Nm^3	88	45
Persistent organic pollutants (POP)	mg/Nm^3	-	-
Volatile organic compounds (VOC)	mg/Nm^3	-	-
Hazardous air pollutants (HAP)	mg/Nm^3	-	-
Others– please specify	mg/Nm^3	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

Air-emission and ambient-environment monitoring is undertaken at the applicable manufacturing locations through laboratories or agencies authorised or recognised by the relevant Pollution Control Board. Results are reviewed against consent conditions and applicable standards, and corrective action is initiated where required.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1210	1027
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	19850	17234
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes CO_2e per ₹ lakh	0.33	0.31
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tons CO,/ = Lakh	#6.81	# 6.40
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	-	-
Total Scope 1 and Scope 2 emission intensity	Metric tons of CO,/ manpower	39.51	36.23

The PPP conversion rate used for FY 2025-26 is 20.34 and for FY 2024-25 is 20.66, as referred from the International Monetary Fund.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: NO

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes. The Company undertakes initiatives that contribute to reduction of greenhouse gas emissions, including installation of energy-efficient furnaces, motors and lighting, process automation, compressed-air and utility optimisation, and improvements in production planning to reduce idle running. These initiatives are tracked through the Company's energy monitoring framework. The Company has not, as at 31 March 2026, set a formal quantified GHG reduction target.

9. Provide details related to waste management by the entity, in the following format:

Category of waste	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	5.70	5.27
E-waste (B)		-
Bio-medical waste (C)		-
Construction and demolition waste (D)		-
Battery waste (E)		-
Radioactive waste (F)		

Category of waste	FY 2025-26	FY 2024-25
Other Hazardous waste, please specify (G) (Used Oil, Residues, Used Grease, Cotton Waste, Sludge	38.05	29.12
Other non-hazardous waste generated (H) Please specify, if any (MS Scrap/Scale/Burr)	4979.73	4,101.31
Total (A+ B+C+D+E+F+G+H)	**5,023.48**	**4,135.70**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT/INR in Lakhs)	0.08	0.09
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/ INR in Lakhs)*PPP	1.60	1.43
Waste intensity in terms of physical output (MT/MT		
Waste intensity (optional) — the relevant metric may be selected by the - - entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations	4,998.76	4,101.31
Total	**4,998.76**	**4,101.31**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations	24.72	34.39
Total	**24.72**	**34.39**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assurance has not been carried out by any external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

BFIL applies a reduce, reuse, recycle, recover and responsible-disposal approach to waste generated from forging, machining, heat-treatment, maintenance and support activities. Process controls and material-yield improvement are used to minimise scrap and the consumption of hazardous substances. Hazardous waste is identified, labelled, stored and recorded in accordance with applicable authorisations and is transferred only to authorised recyclers, reprocessors or disposal facilities.

Metal scrap and other recyclable non-hazardous waste are segregated at source and routed to authorised recyclers. Reusable packaging, pallets and bins are retained where practicable. Organic or biodegradable waste and treatment-plant sludge are managed according to their characteristics and applicable approvals. Employee training, periodic inspection and waste records support consistent implementation across the locations covered by this report.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations / offices	Types of operation	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

	EIA Notification No. and Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
Not applicable				

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. During FY 2025–26, the Company complied with applicable environmental laws, rules and regulatory requirements, including the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986, applicable waste-management rules, and the conditions prescribed under environmental consents and authorisations issued by the relevant Pollution Control Boards. No material non-compliance was reported during the year.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

The Company was in the process of establishing data management for Scope 3 emissions and, accordingly, Scope 3 emissions were not reported.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company has not identified operations in or around an ecologically sensitive area for disclosure under the preceding Essential Indicator; accordingly, no significant direct or indirect biodiversity impact has been reported for FY 2025-26.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Effluent Treatment Plant	Continued operation of the effluent-treatment and water-reuse facility at the Belagavi plant. Treated process wastewater is reused for quenching and other permissible operational requirements.	Reduced freshwater withdrawal and wastewater discharge while strengthening responsible water-management practices.
2	Energy-Efficient Manufacturing Equipment	Upgraded key manufacturing operations through the installation of modern, energy-efficient machinery and production equipment.	Improved operational and energy efficiency, resulting in lower energy consumption and associated GHG emissions.
3	Zero-Waste Manufacturing Program	Implemented measures such as process optimisation, segregation at source, reuse and recycling. Waste not suitable for reuse is routed through authorised recyclers or disposal agencies.	Improved material-use efficiency, enhanced waste recovery and reduced the quantity of waste requiring final disposal.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	Material and Packaging Reuse	Segregated metallic process scrap for recycling through authorised agencies. Reusable metal pallets, bins and suitable packaging materials were retained and reused wherever operationally feasible.	Reduced the requirement for new packaging materials and strengthened circular-resource practices within operations.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. BFIL maintains site emergency-response arrangements and business-continuity measures for events such as fire, utility or equipment failure, natural hazards, cyber incidents and supply-chain disruption. The framework defines response roles, communication and escalation protocols, emergency contacts, evacuation and recovery actions, and periodic drills or testing.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No significant adverse environmental impact from the value chain was identified through the assessments reported for FY 2025-26, subject to confirmation of the assessment coverage. Suppliers and contractors are required to comply with applicable environmental and EHS laws and the Supplier Code of Conduct. Identified gaps are addressed through corrective-action plans, supporting evidence and follow-up review.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Environmental criteria form part of supplier onboarding and risk-based assessment. The percentage of value-chain partners assessed by value during FY 2025-26.

8. **How many Green Credits have been generated or procured:**

   a. By the listed entity: Nil

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: FY 2025-26: Nil

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations:** 6

   b. **List the top trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Automotive Component Manufacturers Association of Indian Forging Industry (AIFI) of India	National
2	Indo Arab Chamber of Commerce & Industries	International
3	EEPC (Formerly Engineering Export Promotion Council)	National
4	Bombay Chamber of Commerce & Industry	National
5	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
6	Association of India Forging Industry	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Nil	

FY 2025-26 position: there were no cases of anti-competitive conduct during the year.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   BFIL engages with trade and industry associations on matters relevant to precision engineering and manufacturing, including technology, skills, quality standards, exports, taxation, corporate governance, energy and regulatory developments. The Company participates through authorised representatives and follows its Code of Conduct and applicable law while contributing technical or industry perspectives.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The CSR team monitors approved projects and maintains engagement with implementing partners and communities in the Company's operating areas. Feedback or grievances received in relation to a project are reviewed with the implementing partner, assigned for action and followed through to closure.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2025-26	FY 2024-25
Directly sourced from MSMEs / small producers	21%	24%
Sourced directly from within the district and neighbouring districts	10%	8%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Parameter	FY 2025-26	FY 2024-25
Rural	-	-
Semi-urban	-	-
Urban	95%	96%
Metropolitan	5%	4%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In ₹ million)
Nil			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

   No

   (b) **From which marginalised/vulnerable groups do you procure?**

   None during the financial year

   (c) **What percentage of total procurement (by value) does it constitute?**

   Not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired Yes / No	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not Applicable

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Plantation Drive – Raigad, Maharashtra	Community at large; not quantifiable	Not ascertainable
2	Education and Hospital Services	1,000+	100%
3	Uttam Shiksha – Ek Prayas & Skill Development	750+	100%
4	Education and Digital Literacy	500+	100%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   BFIL engages with its OEM and Tier-1 customers through technical, quality, commercial and programme-management teams. Customer feedback and complaints are logged, investigated and addressed under the Integrated Management System, with root-cause analysis and corrective action applied where required. Complaint status and recurring themes are reviewed by responsible management to support timely closure and continual improvement.

2. **Turnover of products/services as a percentage of turnover from all products/services that carry information about:**

   BFIL's products are predominantly metal components and are generally recyclable at the end of their useful life. Because they are supplied for incorporation into customers' assemblies, the Company does not presently quantify the environmental and social characteristics of such products as a percentage of turnover.

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of Essential Services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	0	0	Nil	0	0	Nil

4. **Details of instances of product recalls on account of safety issues:**

   No instance of product recall on account of safety issues was reported during the year.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. The Company has a Data Privacy Policy and addresses cyber and information-security risks through governance, access control, backup, system monitoring, incident response and employee-awareness measures.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

7. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along with impact**

      There were no instances of data breach during the year.

   b) **Percentage of data breaches involving personally identifiable information of customers**

      Not Applicable

   c) **Impact, if any, of the data breaches**

      Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Details about Balu Forge Industries Limited's (BFIL) business can be found on its website at https://www.baluindustries.com/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   BFIL supplies engineered components principally to OEMs and Tier-1 customers for incorporation into larger products. Product specifications, inspection documentation, traceability information and handling requirements are therefore communicated to the customer through drawings, quality plans, certificates and contractual documentation. End-user education is generally managed by the OEM responsible for the final product.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Where a disruption may affect supply, BFIL communicates with the affected customers through designated commercial and programme contacts, including email and telephone, and provides revised delivery or recovery information as it becomes available. Public disclosure is made where required under applicable law or the Listing Regulations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes. In addition to statutory information, BFIL provides product and traceability details required by customers, such as part and process numbers, heat or batch identification, inspection status and dispatch documentation. The specific marking and documentation requirements vary by product and customer specification.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Customer satisfaction was monitored through periodic customer interactions and feedback mechanisms. The feedback received was reviewed by senior management, and appropriate corrective or improvement measures were implemented, wherever required.

Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF
Balu Forge Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Balu Forge Industries Limited**(the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended and notes to the standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("IndAS")and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Capital Work-in-Progress (CWIP) and Capital Expenditure and Capitalisation of Assets Put to Use During the year** (as described in Note 6, 7 & 8 of the standalone Ind AS financial statements) The Company has made significant investments in Plant and Machinery, including substantial capital expenditure incurred over the current and previous years, a significant portion of which was funded through the proceeds of preferential capital issues. During the year ended March 31, 2026, a significant portion of such capital expenditure was completed and the related assets were put to use, resulting in substantial amounts being transferred from Capital Work-in-Progress (CWIP) to Property, Plant and Equipment (PPE). As at 31st March 2026, the carrying value of CWIP aggregated to Rs 27,371.27 Lakhs post capitalisation of Rs 34,637.48 Lakhs during the year.	**How our audit addressed the Key Audit Matter** Our audit procedures included: • Evaluating the Company's accounting policies relating to recognition and capitalisation of property, plant and equipment and CWIP for compliance with Ind AS 16 Property, Plant and Equipment. • Obtaining an understanding of the major capital expenditure projects and assessing the status of significant projects transferred from CWIP to PPE during the year. • On a sample basis, testing additions to CWIP and PPE by examining invoices, purchase orders, contracts, completion certificates, goods receipt documentation and other supporting records.

Sr. No.	Key Audit Matter	Auditor's Response
	The assessment of the date on which assets were ready for their intended use, determination of the appropriate amount to be capitalised, transfer of amounts from CWIP to PPE and commencement of depreciation involve management judgement. Further, the determination of whether expenditure meets the recognition criteria under Ind AS 16, including the allocation of directly attributable costs and other eligible costs, requires careful assessment. Given the significant amount of capital expenditure capitalised during the year and the consequential impact on the carrying amount of PPE, depreciation expense and CWIP, together with the judgement involved in determining the date of capitalisation and commencement of depreciation, we considered this to be a key audit matter.	• For major assets/projects put to use during the year, obtained and relied on Chartered Engineer certificates confirming the completion and readiness of the respective assets for their intended use, and assessed whether the date of transfer from CWIP to PPE and commencement of depreciation were appropriate. • Testing the allocation and capitalisation of directly attributable costs and assessing whether items not eligible for capitalisation were appropriately charged to the Statement of Profit and Loss. • Testing depreciation calculations for assets capitalised during the year, including the useful lives and dates from which depreciation was commenced. • Performing analytical procedures over movements in CWIP and PPE during the year, including significant additions, transfers from CWIP to PPE and corresponding depreciation. • Assessing the adequacy and appropriateness of the related disclosures in the standalone Ind AS financial statements. • Obtaining Management Representation Letter in respect of the status of significant capital expenditure projects, the date of assets being ready for intended use and the appropriateness of capitalisation. Based on the above procedures, we found that the Company's accounting for CWIP were reasonable and disclosures were appropriate.
2	**Trade Receivables and Recoverability** (as described in Note 15 of the standalone Ind AS financial statements) The Company has significant trade receivables outstanding at the year-end. The assessment of recoverability, determination of expected credit losses (ECL), and adequacy of provisions involve significant judgment by management, particularly in relation to customers facing financial stress or where collection has been long outstanding. Considering the materiality and judgment involved, this area was considered a key audit matter.	**How the Matter was Addressed in Audit** Our audit procedures included, among others: Evaluating the Company's policy for impairment of receivables and its compliance with Ind AS 109. Assessing the ageing profile of debtors and testing subsequent collections on a sample basis. Discussing with management the status of key overdue accounts and evaluating correspondence with customers. Reviewing historical recovery trends and considering current economic conditions in assessing provision adequacy. Testing management's ECL model, including key assumptions such as probability of default and loss given default. Assessing the adequacy of related disclosures in the financial statements.
3	**Revenue recognition** (as described in Note 30 of the standalone Ind AS financial statements)	In the view of the significance of the matter we addressed the key audit matter by applying the following audit procedures. **Principal Audit Procedures** 1) Considered Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. 2) Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.

Sr. No.	Key Audit Matter	Auditor's Response
	Revenue from sales is recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed. During the year ended March 31, 2026, the Company has recognised revenue amounting to Rs 33,059.57 lakhs from export sale of goods & services and Rs 28,987.08 lakhs from domestic sale of goods & services. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including in co-terms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	3) Tested samples of individual sales transaction and traced to sales invoices, sales orders, (received from customers) and other related documents. Further, in respect of the samples tested, checked recognition of revenue in accordance with the terms / when the conditions for revenue recognitions are satisfied. **How our audit addressed the key audit matter** Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents. 1) Performed procedures to identify any unusual trends of revenue recognition. 2) Assessed the relevant disclosures made within the standalone Ind AS financial statements.

Emphasis of Matter

1. We draw attention regarding export and domestic trade receivables aggregating to Rs. 33,907.66 Lakhs outstanding as at the balance sheet date. The management has represented that the realization of certain export receivables has been impacted/interrupted due to prevailing geopolitical and market conditions affecting overseas customers and cross-border trade operations. Based on the information and explanations provided to us, the management considers the said receivables as recoverable in the ordinary course of business.

2. We draw attention to the fact that the bank reconciliation statements include cheques aggregating to Rs. 2,440.76 lakhs received from customers and recorded in the books of account, which remained on hand and were not deposited/realised as on the date of this report. The management has represented that these cheques are valid, recoverable and are being processed for realisation.

   Our Opinion is not modified in respect of above matters

Other Matters

The Company has export receivables outstanding as at the period end from its wholly owned subsidiary amounting to Rs 524.13 Lakhs, the realization for which exceeds the prescribed timelines as per the Reserve Bank of India's Master Direction on Export of Goods and Services.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Report, Chairman's report on Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's standalone financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal standalone financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i)of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- • Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in(i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act as amended in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2026.

      iv. The Management has represented that to the best of its knowledge and belief as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding whether recorded in writing or otherwise that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

      v. The Management has represented that to the best of its knowledge and belief as disclosed in the notes to accounts no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies)including foreign entities ("Funding Parties") with the understanding whether recorded in writing or otherwise that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) &(b) above contain any material mis-statement.

vii. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. The Company has not proposed final divided for the year.

viii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per statutory requirements for record retention.

For M. B. Agrawal & Co.
Chartered Accountants
(Firm's Registration No.100137W)

Sd/-
M. B. Agrawal
Partner
(Membership No.009045)

Place: Mumbai
Date: 30th May, 2026
UDIN: 26009045MRJFHS1676

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balu Forge Industries Limited of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2026, we report the following:

i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work- in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. According to the information and explanations given to us, the records examined by us, the Company has a program of verification to cover all the items of Property, Plant and Equipment and Capital work- in-progress in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the company) disclosed in the standalone financial statements included in Property, Plant and Equipment and capital work-in-progress are held in the name of the company as at balance sheet date except for the following:

Relevant line item in the balance sheet	Description of property	Gross carrying value (Rs. In Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of the company
PPE	Freehold Land	0.83	Mr Jaspal Singh Chandock	Promoter cum Director	Since 3rd August, 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of he company is pending on account of certain procedural formalities.

Immovable properties of land & buildings whose title deeds have been pledged as security for loans are held in the name of the company based on the confirmation received from the management

d. According to the information and explanations given to us the Company has not revalued any of its Property Plant and Equipment (including Right of Use assets) or intangible assets during the year.

e. To the best of our knowledge and according to the information and explanations given to us no proceedings have been initiated during the year or are pending against the Company as at March 31 2026 for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventories were physically verified by the management at reasonable intervals during the year and the same was carried out by the Internal Auditors. In our opinion and based on the information and explanation given to us the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed by the management and internal auditors on such physical verification of inventories / alternate procedures performed as applicable when compared with books of accounts. We have relied upon the physical verification reports issued by the Internal Auditors and the written representations obtained from the management.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital facility from banks or financial institutions in excess of five crore rupees on the basis of security of current assets. In our opinion, the quarterly returns or stock statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company:

(₹ In Lakhs)

Quarter	Name of bank	Particulars	Amount as per Books of Accounts	Amount as reported in the quarterly return/ statement	Amount of Difference
Jun-25	Union Bank of India	Inventory	9,510.78	9,510.78	-
Jun-25	Union Bank of India	Trade Receivables up to 90 days	9,972.10	9,972.10	-
Sep-25	Union Bank of India	Inventory	10,084.14	10,084.14	-
Sep-25	Union Bank of India	Trade Receivables up to 90 days	9,511.32	9,511.32	-
Dec-25	Union Bank of India	Inventory	12,236.61	12,236.61	-
Dec-25	Union Bank of India	Trade Receivables up to 90 days	10,365.62	10,365.62	-
Mar-26	Union Bank of India	Inventory	11,257.30	11,257.30	-
Mar-26	Union Bank of India	Trade Receivables up to 90 days	8,810.36	8,810.36	-
Sep-25	Axis Bank	Inventory	10,084.00	10,084.00	-
Sep-25	Axis Bank	Trade Receivables up to 180 days	21,408.24	21,408.24	-
Dec-25	Axis Bank	Inventory	12,236.61	12,236.61	-
Dec-25	Axis Bank	Trade Receivables up to 180 days	25,255.42	25,255.42	-
Mar-26	Axis Bank	Inventory	11,257.30	11,257.30	-
Mar-26	Axis Bank	Trade Receivables up to 180 days	20,409.90	20,409.90	-

Note: Trade Receivable as per books of accounts Include the impact of forex restate during quarterly financial closure.

iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, Limited Liability Partnership or any other parties during the year. Accordingly, clause 3(iii) of the Order is not applicable to the company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

v. According to the information provided to us, the Company has not accepted deposits from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder or amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the company in pursuance to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, for certain products of the company and are of the opinion that prima facie prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities with delays on some instances

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other material Statutory dues were in arrears as at 31st March 2026 for a period more than 6 months from the date they became payable except for the following:

Name of the Statute	Nature of the Dues	Amount	Relevant Year	Date of Payment
Profession Tax	Profession Tax (Employees)	2,400	FY 2020-21	Not Paid
Profession Tax	Profession Tax (Employees)	39,950	FY 2021-22	Not Paid
Profession Tax	Profession Tax (Employees)	45,600	FY 2022-23	Not Paid
Profession Tax	Profession Tax (Employees)	45,700	FY 2023-24	Not Paid
Profession Tax	Profession Tax (Employees)	57,500	FY 2024-25	Not Paid
Profession Tax	Profession Tax (Employees)	62,700	FY 2025-26	Not Paid

b. According to the information and explanation given to us and records examined by us, there are no amounts which are not deposited on account of any dispute. Accordingly, clause (vii)(b) is not applicable to the Company.

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act 1961 during the year.

ix. a. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of any loans or borrowings or in the payment of interest thereon to financial institutions, banks, and Government or debenture holders.

b. According to the information and explanations given to us the company has not been declared wilful defaulter by any bank or financial institution or government or any lender.

c. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

d. On an overall examination of the standalone financial statements of the Company funds raised on short-term basis have prima facie not been used during the year for long-term purposes by the Company.

e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint venture or associates.

f. According to the information and explanation given to us the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.

x. a. According to the information and explanation given to us the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the requirements of section 42 & section 62 of the Companies Act, 2013, for preferential allotment of shares and convertible share warrants and the funds raised have been used for the purpose for which the funds were raised.

xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit, nor have we been informed of any such case by the management.

b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. According to the information and explanations given to us, there has been no whistle blower complaints received by the Company. Accordingly, clause 3 (xi)(c) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports issued to the Company during the year and covering the period upto 31st March 2026.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its

Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

c. Accordingly to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable.

xvii. According to the information and explanations provided to us, the Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For M. B. Agrawal & Co.
Chartered Accountants
(Firm's Registration No.100137W)

Sd/-
M. B. Agrawal
Partner
(Membership No.009045)

Place: Mumbai
Date: 30th May, 2026
UDIN: 26009045MRJFHS1676

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balu Forge Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Balu Forge Industries Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However efforts for further strengthening certain procedural frameworks and documentation routines is needed.

For M. B. Agrawal & Co.
Chartered Accountants
(Firm's Registration No.100137W)

Sd/-
M. B. Agrawal
Partner
(Membership No.009045)

Place: Mumbai
Date: 30th May, 2026
UDIN: 26009045MRJFHS1676

Standalone Balance Sheet

as at 31st March 2026

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	6	48,326.34	14,197.85
(b) Right-of-use assets	7	2,612.91	362.97
(c) Capital work-in-progress	8	27,371.27	41,710.69
(d) Goodwill	9	3,254.45	3,254.45
(e) Intangible assets	9	1.08	1.55
(f) Financial assets			
i. Investment in subsidiaries	10	30.73	30.33
ii. Other financial assets	11	189.15	55.65
(g) Deferred tax assets (net)	12	207.54	169.15
(h) Other non-current assets	13	17,502.58	5,168.94
Total Non-Current Assets		**99,496.05**	**64,951.58**
2 Current Assets			
(a) Inventories	14	11,257.30	7,322.31
(b) Financial assets			
i. Trade receivables	15	33,907.66	26,725.45
ii. Cash and cash equivalents	16	8,448.07	9,263.80
iii. Bank balances other than cash and cash equivalents	17	333.85	313.56
iv. Loans	18	367.11	897.08
v. Other financial assets	19	1,116.44	659.18
(c) Other current assets	20	6,372.62	3,929.44
Total Current Assets		**61,803.05**	**49,110.82**
Total Assets		**1,61,299.10**	**1,14,062.40**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	12,139.19	11,076.69
(b) Other equity	22	1,24,834.15	83,809.91
Total Equity		**1,36,973.34**	**94,886.60**
II Liabilities			
1 Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	23	1,072.18	1,605.76
ii. Lease liability	7	2,024.96	0.55
(b) Provisions	24	119.95	118.54
Total Non-Current Liabilities		**3,217.09**	**1,724.85**
2 Current Liabilities			
(a) Financial liabilities			
i. Borrowings	25	11,599.35	1,985.49
ii. Lease liability	7	490.45	386.62
iii. Trade payables	26		
- Total outstanding dues of Micro and small enterprises		389.96	50.02
- Total outstanding dues of other than micro and small enterprises		4,849.82	11,156.21
iv. Other financial liabilities	27	341.07	554.46
(b) Other current liabilities	28	201.48	110.81
(c) Provisions	29	29.51	24.13
(d) Current tax liability (net)		3,207.03	3,183.21
Total Current Liabilities		**21,108.67**	**17,450.95**
Total Equity and Liabilities		**1,61,299.10**	**1,14,062.40**

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Mumbai, May 30, 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
I. Income			
i. Revenue from operations	30	64,742.26	59,847.65
ii. Other income	31	3,329.35	1,743.43
Total Income		**68,071.61**	**61,591.08**
II. Expenses			
i. Cost of materials consumed		42,759.53	35,499.51
ii. Changes in inventories of finished goods, stock in trade and work-in-progress	32	(4,088.42)	1,111.60
iii. Employee benefits expense	33	1,620.22	1,383.67
iv. Depreciation and amortisation expense	34	932.30	279.12
v. Finance costs	35	1,642.83	1,096.84
vi. Other expenses	36	5,168.80	3,788.65
Total Expenses		**48,035.26**	**43,159.39**
III. Profit before tax (I-II)		**20,036.35**	**18,431.69**
IV. Exceptional items		-	-
V. Profit before tax (III-IV)		**20,036.35**	**18,431.69**
VI. Tax expense			
i. Prior period tax		167.03	450.09
ii. Current tax	37	4,586.81	4,348.56
iii. Deferred tax		(38.26)	210.07
VII. Profit after tax (V–VI)		**15,320.77**	**13,422.97**
VIII. Other comprehensive income			
A. Items that will not be reclassified to profit & loss			
i. Remeasurement of defined benefit obligations	38	(0.55)	(6.33)
ii. Tax relating to items that will not be reclassified to profit or loss		0.14	1.59
Total other comprehensive income/(loss) for the year, net of tax		**(0.41)**	**(4.74)**
IX. Total comprehensive income for the year, net of tax (VII-VIII)		**15,320.36**	**13,418.23**
X. Earnings per equity share of Rs.10 each:			
i. Basic (in ₹)	39	13.38	12.55
ii. Diluted (in ₹)		13.38	11.99

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Mumbai, May 30, 2026

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Standalone Statement of Changes in Equity

for the year ended 31 March 2026

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	No. of Shares	Amount
As at 1 April 2024	**10,25,91,900.00**	**10,259.19**
Changes in equity share capital during the year	81,75,000.00	817.50
As at 31 March 2025	**11,07,66,900.00**	**11,076.69**
Changes in equity share capital during the year	1,06,25,000.00	1,062.50
As at 31 March 2026	**12,13,91,900.00**	**12,139.19**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share Warrants	Reserves and surplus		Other comprehensive income	Total Equity
		Securities premium	Retained Earnings/(losses)	Remeasurements of defined benefit obligations	
As at 1 April 2024	**2,295.00**	**25,886.04**	**13,645.31**	**(74.43)**	**41,751.92**
Net income / (loss) for the year	-	-	13,422.97	-	13,422.97
Securities premium credited on Share issue	-	22,113.99	-	-	22,113.99
Issue of Share warrants	6,683.18	-	-	-	6,683.18
Dividend	-	-	(157.41)	-	(157.41)
Other comprehensive income	-	-		(4.74)	(4.74)
As at 31 March 2025	**8,978.18**	**48,000.03**	**26,910.87**	**(79.17)**	**83,809.91**
As at 1 April 2025	**8,978.18**	**48,000.03**	**26,910.87**	**(79.17)**	**83,809.91**
Net income / (loss) for the year	-	-	15,320.77	-	15,320.77
Securities premium credited on Share issue	-	34,850.20	-	-	34,850.20
Transfer on conversion of share warrants into equity shares	(8,978.18)	-	-	-	(8,978.18)
Dividend	-	-	(168.14)	-	(168.14)
Other comprehensive income	-	-		(0.41)	(0.41)
As at 31 March 2026	**-**	**82,850.23**	**42,063.50**	**(79.58)**	**1,24,834.15**

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Mumbai, May 30, 2026

Standalone Statement of Cash Flows

for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit after tax		15,320.77		13,422.97
Adjustment for:				
Income tax expenses	4,715.58		5,008.72	
Depreciation & amortisation expense	932.30		279.12	
Interest received	(75.78)		(276.97)	
Finance costs	1,642.83		1,096.84	
Bad debts, loans and advances written off/written back (net)	1,698.72	8,913.65	(562.52)	5,545.19
Operating profit before working capital changes		**24,234.42**		**18,968.16**
Adjustment for:				
(Increase)/decrease in inventories	(3,934.99)		759.83	
(Increase)/decrease in trade receivables	(8,881.02)		(7,104.36)	
(Increase)/decrease in other receivables	(1,917.37)		1,915.11	
Increase/(decrease) in trade and other payables	(9,405.88)		3,033.93	
Increase/(decrease) in provisions	6.78	(24,132.48)	33.80	(1,361.69)
Cash flow from operations		**101.94**		**17,606.47**
Income taxes (paid)/ refund net		(1,375.31)		(3,512.02)
Net cash generated from operating activities		**(1,273.37)**		**14,094.45**
B. CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)/decrease property, plant and equipment (Net)	(20,299.77)		(41,162.42)	
Increase)/decrease Capital Advance	(12,333.64)		330.98	
(Increase)/decrease Investments	(645.67)		(20.12)	
Net cash used in investing activities		**(33,279.08)**		**(40,851.56)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital and share warrants	26,934.52		29,614.66	
Payment of lease liabilities	(542.83)		(77.01)	
Payment of interest of lease liabilities	(226.43)		(37.87)	
Proceeds/ (repayment) of long term borrowings (net)	(533.58)		(878.21)	
Proceeds/ (repayment) of short term borrowings (net)	9,613.86		(408.07)	
Interest received	75.78		276.97	
Dividend paid	(168.14)		(157.41)	
Finance costs (net)	(1,416.46)		(1,058.97)	
Net cash used in financing activities		**33,736.72**		**27,274.09**
Net increase in cash and cash equivalents (A+B+C)		**(815.73)**		**516.98**
Cash and cash equivalents at the beginning of the year		9,263.80		8,746.82
Cash and cash equivalents at the end of the year		**8,448.07**		**9,263.80**
Cash on hand		75.79		93.15
Balance in current account and deposits with banks		8,372.28		9,170.65
Cash and cash equivalents at the end of the year		**8,448.07**		**9,263.80**

Standalone Statement of Cash Flows

for the year ended 31 March 2026

Reconciliation of liabilities arising from financing activities:

(₹ in Lakhs)

Particulars	As at 31 March 2025	Cash flows	Movement in Lease liabilities	Interest paid	As at 31 March 26
Borrowings	3,591.25	8,222.27	-	858.01	12,671.53
Lease liabilities	387.17	(725.12)	2,626.93	226.43	2,515.41
Total liabilities from financing activities	**3,978.42**	**7,378.51**	**2,626.93**	**1,203.08**	**15,186.94**

(₹ in Lakhs)

Particulars	As at 31 March 2024	Cash flows	Movement in Lease liabilities	Interest paid	As at 31 March 25
Borrowings	4,877.53	(2,170.31)	-	884.03	3,591.25
Lease liabilities	1.61	(100.89)	448.58	37.87	387.17
Total liabilities from financing activities	**4,879.14**	**(2,271.20)**	**448.58**	**921.90**	**3,978.42**

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Mumbai, May 30, 2026

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Notes on the Standalone Financial Statements

for the year ended 31 March 2026

1. CORPORATE INFORMATION

Balu Forge Industries Limited (the 'Company') having Corporate Identity Number L29100MH1989PLC255933. Earlier, the Company was engaged in diversified business activities, primarily in the area of Information Technologies and allied operations, either independently or jointly with others. As an effect of the reverse merger with M/s Balu India, a sole proprietary concern established in India in 1989, the Company is now a preferred supplier of crankshafts to OEMs in India and internationally, with manufacturing facilities at Belagavi in Karnataka. The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

2. NEW AND AMENDED ACCOUNTING STANDARDS

Standards adopted during the year

The Ministry of Corporate Affairs, vide notifications dated 7 May 2025 [G.S.R. 291(E)] and 13 August 2025 [G.S.R. 549(E)], notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 respectively, amending Ind AS 21 (Lack of Exchangeability), Ind AS 1 (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants), Ind AS 7 and Ind AS 107 (Supplier Finance Arrangements) and Ind AS 12 (International Tax Reform — Pillar Two Model Rules). These amendments are effective for annual reporting periods beginning on or after 1 April 2025 and have been adopted by the Company from that date.

Standards notified but not yet effective

The Companies (Indian Accounting Standards) Amendment Rules, 2026, notified vide G.S.R. 725(E) dated 12 August 2026, amend Ind AS 109, Ind AS 107, Ind AS 101, Ind AS 110 and Ind AS 7, and are effective for annual reporting periods beginning on or after 1 April 2026. The amendment to Ind AS 1 governing the classification of a liability on breach of a covenant of a long-term loan arrangement is also effective from that date.

3. STATEMENT OF COMPLIANCE

These standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III) as applicable to financial statement.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements').

The standalone financial statements of the Company for the year ended 31 March 2026 were approved for issue in accordance with the resolution of the Board of Directors on 30th May 2026.

4. BASIS OF PREPARATION AND COMPLIANCE WITH IND AS

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention and on the accrual basis as per the provisions of the Companies Act, 2013 ('the Act'), except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

5.1 Current and non-current classification

The Company classifies all assets and liabilities as current or non-current based on its normal operating cycle and the criteria specified under Indian Accounting Standards (Ind AS) and Schedule III of the Companies Act, 2013. Considering the nature of its services and the timeframe in which cash and cash equivalents are realized, the Company has determined its operating cycle to be twelve months for the purpose of distinguishing current and non-current assets and liabilities.

A liability is classified as non-current where the Company has, at the end of the reporting period, a right to defer settlement of the liability for at least twelve months after the reporting period, and that right has substance. The classification is not affected by the Company's intention or expectation as to whether it will exercise that right. Where the right to defer settlement is subject to compliance with specified conditions, only those conditions with which the Company is required to comply on or before the end of the reporting period affect the classification of the liability; conditions to be complied with after that date do not affect the classification, but the Company discloses information about such conditions and the carrying amount of the related liabilities. Where a liability may, at the option of the counterparty, be settled by the transfer of the Company's own equity instruments, that option is disregarded for the purpose of classification only where it is recognised as an equity component under Ind AS 32, Financial Instruments: Presentation.

Deferred tax assets and liabilities are always classified as non-current.

The applicable Ind AS are mandated under Section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, along with subsequent amendments. The Company has consistently applied its accounting policies except where a new accounting standard has been adopted for the first time or where a revision to an existing standard has required a change in the accounting policy previously followed.

These Financial Statements are presented in Indian Rupees (₹), which is the Company's functional currency. Unless stated otherwise, all financial figures have been rounded off to the nearest two decimal places in Lakhs.

5.2 Use of Estimates and Judgements

In the preparation of the standalone financial statements, the Company makes judgements in the application of accounting policies; and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience, future outlook and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The Company uses the following critical accounting estimates and judgements in preparation of its standalone financial statements.

5.2.1 Impairment

The Company determines the recoverable amount of its cash-generating units (CGUs) by estimating future cash flows, taking into account current economic conditions and trends, projected operating performance and growth rates, as well as anticipated future economic and regulatory environments. These cash flow estimates are prepared using the Company's internal forecasts. The estimated future cash flows are then discounted to their present value using an appropriate discount rate.

5.2.2 The measurement of impairment for financial assets (other than those subsequently measured at fair value)

The measurement of impairment of financial assets requires the application of estimates and judgments, which are further detailed in the note on financial instruments under the section "Impairment of Financial Assets.

5.2.3 Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Company reviews the estimated useful lives of property, plant and equipment, right-of-use assets, and intangible assets at the end of each reporting period. Any reassessment may lead to changes in depreciation and amortisation expenses in future periods.

5.2.4 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation, either legal or constructive, arising from past events, and it is probable that an outflow of resources will be required to settle the obligation, provided a reliable estimate can be made. This includes provisions for decommissioning, site restoration, and environmental obligations, which may be adjusted if changes in estimated reserves affect expectations regarding the timing or cost of these activities. All provisions are reviewed at each balance sheet date and updated to reflect the current best estimates.

Significant judgments are applied by the Company in assessing contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the Company's control, or where a present obligation exists but either the outflow of resources is not probable or the amount cannot be reliably estimated.

Contingent assets are neither recognized nor disclosed in the standalone financial statements.

5.2.5 Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be determined based on quoted prices in active markets, the Company measures fair value using valuation techniques, such as the Discounted Cash Flow (DCF) model. Wherever possible, inputs to these models are derived from observable market data. However, when observable data is not available, the Company applies judgment to establish fair values, considering factors such as liquidity risk, credit risk, and market volatility. Changes in these assumptions could impact the reported fair value of financial instruments.

5.2.6 Leases

The Company assesses whether an arrangement qualifies as a lease in accordance with Ind AS 116, "Leases." Determining whether an arrangement contains a lease involves significant judgment, including evaluation of the terms and conditions such as the lease term, expected renewals, and the applicable discount rate. Lease payments are discounted using the interest rate implicit in the lease, if this rate can be readily identified. If not, the Company applies its incremental borrowing rate.

5.2.7 Retirement Benefit Obligations

The Company's retirement benefit obligations are based on several key assumptions, including discount rates, inflation rates, salary growth, and mortality rates. These assumptions require significant judgment, and any changes to them could materially impact the amounts recognized in the balance sheet and the statement of profit and loss. The Company establishes these assumptions based on historical experience and advice from independent actuaries. These assumptions are reviewed annually and updated to reflect actuarial valuations and experience adjustments.

5.2.8 Classification of liabilities as current or non-current

The classification of borrowings as current or non-current requires judgement as to whether the Company has, at the reporting date, a right to defer settlement for at least twelve months and whether that right has substance. Where borrowings are subject to covenants, judgement is applied in determining which covenants are required to be complied with on or before the reporting date, and in assessing whether such covenants have been complied with at that date.

5.3 Property, Plant and Equipment (PPE)

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements of M/s. Balu India, proprietary concern, measured as per the previous GAAP and use that as its deemed cost as at the date of succession.

Capital Work-in-Progress

These are stated at cost to date relating to projects in progress, incurred during construction / pre-operative period (Net of income) incurred during the construction/ pre-operative period and the same is allocated to the respective property, plant and equipment on the completion of their construction. Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business succession is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Asset Head	Remaining useful life
1	Software	5

Depreciation & amortization

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Company has redefined the useful life / residual value of assets acquired on business succession in accordance with the terms and conditions set out in the Business Succession Agreement dated 3 August 2020, on the basis of detailed technical analysis, taking into account the nature of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc. which is depicted in below mentioned table.

Sr. No.	Asset Head	Remaining useful life
1	Plant & Machinery	15
2	Office Equipment	5
3	Computers	3
4	Motor Vehicles	8 - 10
5	Electrical Installation	10
6	Factory building	30
7	Furniture & Fixtures	10
8	Computers - Server & Networks	6

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

5.4 Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these standalone financial statements at historical cost in accordance with the option available in Ind AS 27, Separate Financial Statements, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

5.5 Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary.

Cost of raw materials comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing and other indirect overheads based on the normal operating capacity but excluding borrowing costs. Cost of purchased inventory is determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

5.6 Revenue Recognition

Revenue from contracts with customers is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

i. Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

ii. Interest and dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

5.7 Leases

As a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases having lease term of 12 months or less and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term, and includes the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the Company under residual value guarantees, if any
- Exercise price of the purchase option, if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

In case of sale and leaseback transactions, the Company first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of Ind AS 115. If the transfer qualifies as a sale and the transaction is at market terms, the Company effectively derecognises the asset, recognises a ROU asset and corresponding lease liability. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Short-term leases and leases of low-value assets

Payments associated with short-term leases of plant and equipment, buildings and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

5.8 Foreign Currency Transactions

The functional currency of the Company is Indian National Rupee (₹).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

At each reporting date, the Company assesses whether a currency is exchangeable into another currency. Where a currency is not exchangeable at the measurement date, the Company estimates the spot exchange rate as the rate that would apply to an orderly exchange transaction between market participants under prevailing economic conditions, and makes the disclosures required by Ind AS 21.

Exchange differences on monetary items are recognized in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

5.9 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The Company calculates current tax using the tax rates that have been enacted or substantively enacted by the end of the reporting period in India, where it operates and generates taxable income.

Management regularly reviews positions taken in tax filings, especially in cases where tax regulations are open to interpretation. Provisions are recognized as necessary based on the amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are off set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

5.10 Borrowing Cost

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

5.11 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

5.12 Employee benefits

5.12.1 Defined Contribution Plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered services entitling them to the contributions. The Company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are incurred.

5.12.2 Defined Benefits Plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

5.12.3 Compensated absences

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date using the projected unit credit method with actuarial valuation being carried out at each year-end balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation.

5.13 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

i. Financial Assets

Cash and bank balances

Cash and bank balances consist of:

(i) Cash and cash equivalents – which includes cash in hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

(ii) Other balances with banks – which also include balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost when they are held within a business model whose objective is to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Financial Assets Measured at Fair Value

Financial assets are classified as measured at fair value through other comprehensive income (FVOCI) when they are held within a business model whose objective is both to collect contractual cash flows and to sell the assets, and where contractual cash flows represent solely payments of principal and interest. The Company has made an irrevocable election for certain equity investments (excluding investments in associates and joint ventures) not held for trading to present subsequent fair value changes in other comprehensive income. This election is made on an instrument-by-instrument basis at initial recognition. These investments are held for medium to long-term strategic purposes. Management believes that presenting these changes in OCI better reflects the nature of such investments than recognizing fair value changes directly in the Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI measurement are carried at fair value through profit or loss (FVTPL).

Interest Income

Interest income is recognized on an accrual basis using the effective interest rate method, calculated by applying the effective interest rate to the principal outstanding, and is recorded in the Statement of Profit and Loss.

Dividend Income

Dividend income from investments is recognised in the Statement of Profit and Loss when the Company's right to receive payment is established.

Impairment of Financial Assets

The Company applies the expected credit loss (ECL) model for impairment of financial assets measured at amortised cost and FVOCI. Lifetime expected credit losses are recognized for all trade receivables that do not have a financing component. For financial assets other than these trade receivables, the loss allowance is measured as 12-month expected credit losses where the credit risk has not significantly increased since initial recognition; however, if the credit risk has increased significantly, lifetime expected credit losses are recognized.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to cash flows expire or when the asset is transferred along with substantially all the risks and rewards of ownership to another party. If the Company neither transfers nor retains substantially all risks and rewards but retains control, it continues to recognize the asset with an associated liability for amounts that may be payable. If the Company retains substantially all risks and rewards, the asset continues to be recognized, together with a borrowing representing the proceeds received.

ii. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Company are classified based on the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all liabilities. Equity instruments are recorded at the proceeds received, net of direct issuance costs.

Financial Liabilities

Trade payables and other short-term liabilities are initially measured at fair value minus transaction costs and subsequently measured at amortised cost using the effective interest rate method where the time value of money is significant. Interest-bearing bank loans, overdrafts, and issued debts are initially recognized at fair value and subsequently measured at amortised cost using the effective interest rate method. Any difference between proceeds (net of transaction costs) and the redemption amount is recognized over the term in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

Financial liabilities are derecognized when the Company's obligations are discharged, cancelled, or have expired.

5.14 Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

5.15 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

5.16 Share Issue Expenses

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

5.17 Rounding off amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest two decimal places in Lakhs as per the requirement of Schedule III, unless otherwise stated.

5.18 Exceptional items

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of standalone financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

5.19 Statement of cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated in accordance with Ind AS 7, Statement of Cash Flows.

5.21 Events after the reporting period

Adjusting events are events that provide evidence of conditions that existed at the end of the reporting period. The effects of such events are recognised in the financial statements. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period; where material, the nature and an estimate of the financial effect of such events are disclosed in the notes.

5.22 Dividend distribution

Dividend to equity shareholders is recognised as a liability and deducted from equity in the period in which the dividend is approved by the shareholders. Interim dividend is recognised as a liability in the period in which it is declared by the Board of Directors.

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Motor Vehicles	Office Equipments	Furniture& Fixture	Computers	Total Assets
Gross Carrying Amount									
As at 1 April 2024	**447.38**	**111.59**	**855.64**	**28.44**	**640.48**	**65.16**	**40.50**	**15.77**	**2,204.96**
Additions	-	21.54	12,237.52	-	33.59	145.20	13.86	28.23	12,479.94
Disposals									-
As at 31 March 2025	**447.38**	**133.13**	**13,093.16**	**28.44**	**674.07**	**210.36**	**54.36**	**44.00**	**14,684.90**
Additions	844.53	2,314.24	31,079.75	-	340.87	51.50	0.08	6.51	34,637.48
Disposals									-
As at 31 March 2026	**1,291.91**	**2,447.37**	**44,172.91**	**28.44**	**1,014.94**	**261.86**	**54.44**	**50.51**	**49,322.38**
Accumulated depreciation									
As at 1 April 2024	**-**	**11.85**	**175.45**	**10.81**	**89.23**	**13.00**	**4.00**	**4.48**	**308.82**
Depreciation charge for the year	-	3.63	62.97	2.70	79.53	16.92	4.35	8.13	178.23
Disposals	-								-
As at 31 March 2025	**-**	**15.48**	**238.42**	**13.51**	**168.76**	**29.92**	**8.35**	**12.61**	**487.05**
Depreciation charge for the year		40.88	310.18	2.70	93.67	41.33	5.17	15.06	508.99
Disposals									-
As at 31 March 2026	**-**	**56.36**	**548.60**	**16.21**	**262.43**	**71.25**	**13.52**	**27.67**	**996.04**
Net book value									-
As at 31 March 2026	**1,291.91**	**2,391.01**	**43,624.31**	**12.23**	**752.51**	**190.61**	**40.92**	**22.84**	**48,326.34**
As at 31 March 2025	**447.38**	**117.65**	**12,854.74**	**14.93**	**505.31**	**180.44**	**46.01**	**31.39**	**14,197.85**

1. Property, plant and equipment having net carrying amount aggregating 48,326.34 Lakhs as on 31 March 2026 (14,197.85 Lakhs as at March 31, 2025), which are hypothecation / pledged as security for borrowings - Refer Notes 23 and 25

2. The title deeds of all the immovable properties are held in the name of the Company, except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

3. Disclosure of contractual commitments for acquisition of property, plant and equipment is provided in note no 46

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

(₹ in Lakhs)

Particulars	Building	Plant & Machinery	Total
Right-of-use assets as on 1 April 2024	**1.29**	**-**	**1.29**
Additions	463.46	-	463.46
Deductions	(1.28)	-	(1.28)
Amortisation expense	(100.50)	-	(100.50)
At 31 March 2025	**362.97**	**-**	**362.97**
Additions	-	2,671.07	2,671.07
Deductions	-	-	-
Amortisation expense	(100.79)	(320.33)	(421.13)
At 31 March 2026	**262.18**	**2,350.73**	**2,612.91**

(₹ in Lakhs)

Particulars	Building	Plant & Machinery	Total
Lease liabilities as on 1 April 2024	**1.61**	**-**	**1.61**
Additions	449.66	-	449.66
Deduction	(1.08)	-	(1.08)
Interest accrued	37.87	-	37.87
Lease payments	(100.89)	-	(100.89)
At 31 March 2025	**387.17**	**-**	**387.17**
Additions	-	2,626.93	2,626.93
Deduction	-	-	-
Interest accrued	31.67	194.76	226.43
Lease payments	(111.46)	(613.67)	(725.12)
At 31 March 2026	**307.38**	**2,208.02**	**2,515.41**
Short term lease liability	99.74	390.71	490.45
Long term lease liability	207.65	1,817.31	2,024.96

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The leases that the Company has entered with lessors are generally long-term in nature and no changes in terms of those leases.

8. CAPITAL WORK- IN-PROGRESS: AGEING

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	41,710.69	13,027.29
Addition during the year	20,298.06	41,063.99
Capitalisation during the year	34,637.48	12,380.59
Closing Balance	**27,371.27**	**41,710.69**

(₹ in Lakhs)

Particulars	As at 31st March 2026				
	Amount of Capital Work-in-progress for a period of				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Projects in progress at Belgaum Unit	19,033.19	8,338.08			27,371.27
Projects temporarily suspended	-	-	-	-	-
Total	**19,033.19**	**8,338.08**	**-**	**-**	**27,371.27**

(₹ in Lakhs)

Particulars	As at 31st March 2025				
	Amount of Capital Work-in-progress for a period of				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Projects in progress at Belgaum Unit	37,694.76	4015.93			41,710.69
Projects temporarily suspended					-
Total	**37,694.76**	**4015.93**	**-**	**-**	**41,710.69**

9. INTANGIBLE ASSETS AND GOODWILL

(₹ in Lakhs)

Particulars	#Goodwill	Computer Software	Amount
Cost			
As at 1 April 2024	**3,254.45**	**4.86**	**3,259.31**
Additions	0	0	0.00
Disposals	0	0	0.00
As at 31 March 2025	**3,254.45**	**4.86**	**3,259.31**
Additions	0	1.72	1.72
Disposals	0	0	0.00
As at 31 March 2026	**3,254.45**	**6.58**	**3,261.03**
Accumulated amortization			
As at 1 April 2024	**0**	**2.39**	**2.39**
Amortisation	0	0.92	0.92
Disposals	0	0	0.00
As at 31 March 2025	**0.00**	**3.31**	**3.31**
Amortisation	0	2.19	2.19
Disposals	0	0	0
As at 31 March 2026	**0.00**	**5.50**	**5.50**
Net book value :			
As at 31 March 2026	**3,254.45**	**1.08**	**3,255.53**
As at 31 March 2025	**3,254.45**	**1.55**	**3,256.00**

As a result of the reverse merger with M/s Balu India, a sole proprietary concern, in accordance with the Business Succession Agreement dated 3 August 2020, the Company recognized goodwill of Rs. 3,254.45 lakhs. Goodwill is tested for impairment annually in line with the Company's policy for determining the recoverable amount of such assets. For impairment testing, the entire business is considered as a single Cash Generating Unit (CGU). The recoverable amount of this CGU is determined on a value-in-use basis using discounted cash flow projections, which have been classified as Level 3 in the fair value hierarchy. The discount rate applied to forecasted cash flows is 12%, with a projection period of five years and a terminal growth rate of 3%. Based on this assessment, no impairment was identified as of 31 March 2026, as the recoverable amount of the CGU exceeded its carrying value

10. INVESTMENT IN SUBSIDIARIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balu Advanced Technologies & Systems Pvt Ltd (10,000 Fully paid Equity Shares of ₹ 10/- each) #	1.00	1.00
Naya Energy Works Pvt. Ltd. (10,000 Fully paid Equity Shares of ₹ 10/- each) #	1.00	1.00
Safa Otomotiv FZ-LLC (150 Fully paid Equity Shares of AED 1000/- each)	30.33	30.33
Swan Balu Heavy Industries (share application money pending allotment) @	0.40	-
Less: Provision for impairment in subsidiaries.	(2.00)	(2.00)
Total	**30.73**	**30.33**

The Company has recognized impairment provisions for its investments in the share capital of Balu Advanced Technologies & Systems Pvt Ltd & Naya Energy Works Pvt. Ltd. These impairments were recorded due to losses and delays in commencing commercial operations, which have resulted in financial losses for these subsidiaries.

@ The Company has entered into a joint venture agreement with Swan Energy Limited, pursuant to which Swan Balu Heavy Industries Limited was incorporated as a joint venture company. The Company has paid share subscription money to the joint venture company; however, the corresponding shares are yet to be allotted.

11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	189.15	55.65
Total	**189.15**	**55.65**

12. Deferred tax asset / (liability) (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31 March 2025	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2026
Property, plant and equipment	(134.40)	122.68	-	(11.72)
Provisions for employee benefits	35.91	1.58	(0.14)	37.62
Lease liabilities	6.09	(30.63)	-	(24.54)
Impairment of Financial Assets	261.55	(55.37)	-	206.18
Total	**169.15**	**38.26**	**(0.14)**	**207.54**

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31 March 2024	Recognised / (reversed) through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2025
Property, plant and equipment	(56.51)	(77.89)	-	(134.40)
Provisions for employee benefits	27.40	10.10	(1.59)	35.91
Lease liabilities	0.08	6.01	-	6.09
Impairment of Financial Assets	406.65	(145.10)	-	261.55
Total	**377.62**	**(206.88)**	**(1.59)**	**169.15**

13. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Capital advances	17,502.58	5,168.94
Total	**17,502.58**	**5,168.94**

14. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Raw materials and components (at cost)	581.66	985.34
Work-in-progress (at cost)	4,294.25	541.55
Stores & Spares (at cost)	250.25	-
Finished goods (at cost or net realisable value whichever is lower)	6,131.14	5,795.42
Total	**11,257.30**	**7,322.31**

Inventories have been hypothecated as primary security against certain bank borrowings, details relating to which has been described in note no. 25.

15. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables considered good - Unsecured	34,726.80	27,764.58
Less: Allowance for doubtful debts	(819.14)	(1,039.13)
Discounted Trade Receivables	1,900.58	6,478.20
Total Trade Receivables	**35,808.24**	**33,203.65**
Less: Bills Payable against Discounted Trade Receivables	(1,900.58)	(6,478.20)
Total	**33,907.66**	**26,725.45**

i. Trade receivables have been given as security against certain bank borrowings, details relating to which has been described in note no. 25.

ii. Trade receivables does not include any receivables from directors and officers of the company.

iii. Balance confirmation from customers was called for by the Company. The company has received few confirmations, balance are awaited.

vi. The increased in debtors was due to geopolitical situation arises in Q4 of FY 2025-2026.

Reconciliation of Credit Loss allowance:

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	1,039.13	1,615.60
Add: Provision created/(reversed) during the year (Net)	(219.99)	(576.47)
Balance at the end of the year	**819.14**	**1,039.13**

Ageing for Trade Receivables outstanding is as follows:

(₹ in Lakhs)

Particulars	Outstanding from following periods from due date of payment as on 31st March 2026					
	Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
Considered Good – Unsecured						
Undisputed	20,409.90	8,303.84	6,013.06			34,726.80
Disputed						
Trade Receivables –	20,409.90	8,303.84	6,013.06	-	-	34,726.80
Less: - Allowance for expected credit loss						(819.14)
Total						**33,907.66**

(₹ in Lakhs)

Particulars	Outstanding from following periods from due date of payment as on 31st March 2025					
	Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
Considered Good – Unsecured						
Undisputed	11,426.08	11,869.31	4,469.19			27,764.58
Disputed						
Trade Receivables –	11,426.08	11,869.31	4,469.19	-	-	**27,764.58**
Less: - Allowance for expected credit loss		-	-			(1,039.13)
Total		-	-			**26,725.45**

16. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks in current accounts	8,372.28	9,170.65
Cash on hand	75.79	93.15
Total	**8,448.07**	**9,263.80**

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with Banks		
In term deposit accounts with maturity more than 3 months	330.47	310.37
Unpaid dividend	3.38	3.19
Total	**333.85**	**313.56**

18. LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Loans & advances – Related parties (refer note 47)	367.06	867.15
Loans & advances – Employees	0.05	29.93
Total	**367.11**	**897.08**

Disclosure required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in Lakhs)

Particulars	Loans (interest bearing) outstanding	Maximum amount outstanding during the year
Safa Otomotiv		
As at March 31, 2026	174.01	866.10
As at March 31, 2025	866.10	955.55
Balu Advance Technology and System Private Limited		
As at March 31, 2026	1.05	1.05
As at March 31, 2025	1.05	1.05
Naya Energy Private Limited		
As at March 31, 2026	1.05	1.05
As at March 31, 2025	1.05	1.05

I. The above loans have been given for business purpose.

ii. The Company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

19. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Export benefits and entitlements	686.84	192.72
Security deposits	405.84	405.84
Others	23.76	60.62
Total	**1,116.44**	**659.18**

20. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Prepaid expenses	99.90	121.77
Advances to suppliers*	178.34	810.31
GST Receivable	733.94	703.61
Others	5,360.43	2,293.75
Total	**6372.62**	**3,929.44**

* Balance confirmation from vendors was called for by the Company. The company has received few confirmations, balance are awaited.

21. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026		As at 31 March 2025	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
Authorised:				
Equity Shares:				
Equity shares of ₹10/- each	12,50,00,000.00	12,500.00	12,50,00,000.00	12,500.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of ₹10/- each	12,13,91,900.00	12,139.19	11,07,66,900.00	11,076.69
Total	**12,13,91,900.00**	**12,139.19**	**11,07,66,900.00**	**11,076.69**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2026		As at 31 March 2025	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
At the beginning of the year	11,07,66,900.00	11,076.69	10,25,91,900.00	10,259.19
Issued during the year		-	45,00,000.00	450.00
Issued during the year (Conversion of Warrants into Equity Shares)	1,06,25,000.00	1,062.50	36,75,000.00	367.50
Outstanding at the end of the year	**12,13,91,900.00**	**12,139.19**	**11,07,66,900.00**	**11,076.69**

During the financial year 2025-26, the Company has issued and allotted:

i. 13,25,000 Equity Shares having face value of ₹ 10/- each at an issue price of Rs. 183.60/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 13,25,000 Convertible Warrants.

ii. 93,00,000 Equity Shares having face value of ₹ 10/- each at an issue price of Rs. 360.00/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 93,00,000 Convertible Warrants.

B. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	Number of shares held having face value of ₹ 10 each	% of holding in class	Number of shares held having face value of ₹ 10 each	% of holding in class
Jaspalsingh Chandock	6,04,59,024.00	49.80%	5,74,40,024.00	51.86

D. The details of promoter's shareholding are as under

Name of the promoter	As at 31 March 2026			As at 31 March 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Equity shares of ₹ 10/- each fully paid						
Mr. Jaspalsingh Chandock	6,04,59,204.00	49.80%	-3.97%	5,74,40,024.00	51.86%	-1%
Mr. Trimaan Chandock	25,75,900	2.12%	-9.01%	25,75,900.00	2.33%	1%
Mr. Jaikaran Chandock	25,10,150	2.07%	93.46%	11,85,150.00	1.07%	0%
Total	**6,55,45,074**	**53.99%**	**-2.29%**	**6,12,01,074.00**	**55.26%**	**-1%**

E. Information regarding issue/buyback of Equity Shares during last five years

i. No bonus share has been issued.

ii. No share has been bought back.

F. No Shares held in Abeyance

22. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share Warrants	Reserves and surplus		Other comprehensive income	Total Equity
		Securities premium	Retained Earnings/ (losses)	Remeasurements of defined benefit obligations	
As at 1 April 2024	**2,295.00**	**25,886.04**	**13,645.31**	**(74.43)**	**41,751.92**
Net income / (loss) for the year	-	-	13,422.97	-	13,422.97
Proceeds from issue of equity share net of expense	-	22,113.99	-	-	22,113.99
Issue of Share warrants	6,683.18	-	-	-	6,683.18
Dividend	-	-	(157.41)	-	(157.41)
Other comprehensive income	-	-		(4.74)	(4.74)
As at 31 March 2025	**8,978.18**	**48,000.03**	**26,910.87**	**(79.17)**	**83,809.91**
As at 1 April 2025	**8,978.18**	**48,000.03**	**26,910.87**	**(79.17)**	**83,809.91**
Net income / (loss) for the year	-	-	15,320.77	-	15,320.77
Proceeds from issue of equity share net of expense	-	34,850.20	-	-	34,850.20
Issue of Share warrants	(8,978.18)	-	-	-	(8,978.18)
Dividend	-	-	(168.14)	-	(168.14)
Other comprehensive income	-	-		(0.41)	(0.41)
As at 31 March 2026	**-**	**82,850.23**	**42,063.50**	**(79.58)**	**1,24,834.15**

Note :

During the financial year 2025-26, the Company has issued and allotted:

i. 13,25,000 Equity Shares having face value of ₹ 10/- each at an issue price of Rs. 183.60/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 13,25,000 Convertible Warrants.

ii. 93,00,000 Equity Shares having face value of ₹ 10/- each at an issue price of Rs. 360.00/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 93,00,000 Convertible Warrants.

Note (a) Securities premium is used to record the premium on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Note (b) Retained earnings represents accumulated profit and remeasurement of defined benefit obligations as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

23. BORROWINGS (AT AMORTISED COST)

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Term loan (Secured/Unsecured)		
- Term loans from banks	474.56	1,149.74
- Term loans from financial institutions	597.62	456.02
Total	**1,072.18**	**1,605.76**

23.1 Interest and repayment schedule for secured long term borrowings (₹ in Lakh)

(₹ in Lakhs)

Type of loan	Loan outstanding as at 31 March 2026			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non Current	Current	Total				
Term loans from bank							
ICICI Bank Limited -Business Loan	0.06	-	0.06	40.00	-	Loan fully repaid, disputed charges are shown as outstanding	Post dated cheques
Axis Bank Ltd - Car Loan	188.69	95.43	284.12	476.75	8.65 - 9.70%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underly- ing company owned vehicles.
Union Bank of India - Vehicle Loan	39.33	16.65	55.98	109.16	7.50 - 9.00%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	secured against the hypothecation of underly- ing company owned vehicles.
Union Bank of India - Term Loan	246.48	590.50	836.98	2,920.00	7.50 - 11.00 %	Equated monthly installment for 60 months and interest to the loan account to be serviced as & when debited to the account.	
Total (A)	**474.56**	**702.58**	**1,177.14**	**3,545.91**			
Term loans from financial institutions							
Jain Sons Finlease Ltd. - Business Loan	2.34	-	2.34	40.00	-	Loan fully repaid, disputed charges are shown as outstanding	Unsecured

(₹ in Lakhs)

Type of loan	Loan outstanding as at 31 March 2026			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non Current	Current	Total				
Shriram City Finance Ltd. - Business Loan	0.86		0.86	35.00	-	Loan fully repaid, disputed charges are shown as outstanding	Unsecured
Tata Capital Financial ServicesLtd. - Car Loan	0.55		0.55	50.69	-	Loan fully repaid, disputed charges are shown as outstanding	Secured against the hypothecation of underly- ing company owned vehicles.
PNB Housing Ltd. -Business Loan	406.62	43.62	450.24	650.00	12.10%	Equated monthly installments as per specific repayment schedule predetermined	Secured against the personal property of the director
Toyota Financial Services	187.25	61.48	248.73	269.23	7.61%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underly- ing company owned vehicles.
Total (B)	**597.62**	**105.10**	**702.72**	**1,044.92**			
Grand TOTAL (A+B)	**1,072.18**	**807.68**	**1,879.86**	**4,590.83**			

24. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for gratuity (refer note 45)	119.95	118.54
Total	**119.95**	**118.54**

25. BORROWINGS (CURRENT, AT AMORTISED COST)

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Working capital loans from bank (secured)		
Packing Credit limit	10,791.67	1,120.00
Term loans from Bank and Financial Institutions		
Current maturity of long-term debt	807.68	865.49
Total	**11,599.35**	**1,985.49**

Working capital loans from bank (secured)

Short-term working capital loan of ₹ 10,791.67 lakhs As at March 31, 2026 and ₹ 1,120 lakhs As at March 31, 2025 secured by hypothecation of stock & book debts. The interest rates were in the ranges from 8.50% to 9.50% p.a.

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions generally are in agreement with the books of accounts with minor difference on account of provisional figures recorded while submission of statements of current assets to the bank.

26. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables		
- total outstanding dues of micro and small enterprises;	389.96	50.02
- total outstanding dues of creditors other than micro and small enterprises	4,849.82	11,156.21
Total	**5,239.78**	**11,206.23**

i. Disclosure with respect to related party transactions is given in note 47.

ii. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
The principal amount remaining unpaid to supplier as at the end of accounting year	374.31	49.78
The interest due thereon remaining unpaid to supplier as at the end of accounting year	15.65	0.24
The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	0.24	-
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	15.65	0.24
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	15.89	0.24

iii. Ageing for Trade Payables outstanding is as follows:

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on 31st March 2026				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	389.96				389.96
(ii) Others	4721.48				4721.48
(iii) Disputed dues - MSME					0
(iv) Disputed dues - Others				128.34	128.34
Total	**5111.44**	**-**	**0.00**	**128.34**	**5,239.78**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on 31st March 2025				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	50.02				50.02
(ii) Others	11,027.87				11027.87
(iii) Disputed dues - MSME					0
(iv) Disputed dues – Others				128.34	128.34
Total	**11,077.89**	**-**	**0.00**	**128.34**	**11,206.23**

27. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Other payables	341.07	554.46
Total	**341.07**	**554.46**

28. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance against orders	0.26	0.35
Unpaid dividend payable	3.38	3.19
Statutory dues payable ((contribution to PF and ESIC, TDS, GST, etc.)	197.84	107.27
Total	**201.48**	**110.81**

29. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for gratuity (refer note 45)	29.51	24.13
Total	**29.51**	**24.13**

30. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products		
Domestic turnover	28,987.08	15,366.22
Export turnover	33,059.57	42,761.46
Total sale of products	**62,046.65**	**58,127.68**
Export benefits and entitlements income	2,695.61	1,719.97
Total	**64,742.26**	**59,847.65**

31. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on foreign currency transactions and translation	3,213.85	1,409.55
Interest received	113.55	276.96
Other income	1.95	56.92
Total	**3,329.35**	**1,743.43**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Work in Progress - Opening	541.55	2,360.28
Work in Progress - Closing	4,294.25	541.55
	(3,752.70)	**1,818.73**

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finished Goods (Mfg.) - Opening	5,795.42	5,088.29
Finished Goods (Mfg.) - Closing	6,131.14	5,795.42
	(335.72)	**(707.13)**
Total changes in inventories	**(4,088.42)**	**1,111.60**

33. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	989.89	951.81
Contribution to provident and other funds	37.42	55.98
Director remuneration	413.40	219.65
Gratuity expense (refer note 45)	7.85	27.46
Staff welfare expenses	171.66	128.77
Total	**1,620.22**	**1,383.67**

34. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (Refer Note -6)	508.99	177.31
Amortisation of intangible assets (Refer Note -9)	2.19	0.92
Depreciation of right to use assets (Refer Note -7)	421.13	100.89
Total	**932.30**	**279.12**

35. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on borrowings	858.01	667.81
Interest expense on lease liabilities (Refer Note -7)	226.43	37.87
Other borrowing costs	100.08	13.33
Other financial charges	458.31	377.83
Total	**1,642.83**	**1,096.84**

36. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Repairs and maintenance	10.77	239.62
Rent	233.94	164.58
Rates and taxes	590.00	169.90
Insurance	34.73	24.18
Legal and professional fees	227.12	247.17
Travelling & conveyance expenses	505.40	610.49
Audit fees	16.30	11.71
Security charges	108.09	72.37
Electricity Charges Office	43.31	5.64
Freight forwarding and distribution expenses	496.20	631.88

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Advertisement and sales promotion & commission expenses	1,034.42	1,882.26
Miscellaneous expenses	54.46	52.16
CSR expenses	102.08	196.39
Donation	1.89	11.09
Postage and telephone	9.97	13.80
Printing and stationery	1.40	17.93
Provision for doubtful debts (Refer Note -15)	(219.99)	(576.48)
Balances written off	1,918.71	13.96
Total	**5,168.80**	**3788.65**

Note:

A) Auditor's remuneration (excluding taxes):

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory audit fees including limited review	8.64	7.20
Tax audit fees	2.00	1.35
Other services	5.66	3.16
Total	**16.30**	**11.71**

37. INCOME TAX

Indian companies are subject to Indian income tax. For each financial year, the entity profit and loss is subject to the regular income tax payable.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 22% plus a surcharge of 10% and education cess 4%.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Current Tax	4,586.81	4,348.56
Deferred tax liabilities/Assets (Net)	(38.26)	210.07
(Excess) / short provision of tax of earlier years	167.03	450.09
Total tax expense	**4,715.58**	**5,008.72**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognized income tax expense for the year indicated are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Profit before tax	**20,036.35**	**18,431.69**
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory rate	5,043.15	4,639.26
Tax effect of amounts which are deductible / not deductible in calculating taxable income	(456.34)	(290.70)
Income tax expense for the year	**4,586.81**	**4,348.56**

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Remeasurement gains (losses) on defined benefit plans and investment, not to reclassified to profit and loss account	(0.55)	(6.33)
Income tax effect	0.14	1.59
Total	**(0.41)**	**(4.74)**

39. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	2025-26	2024-25
Face Value of Equity Share	10.00	10.00
Profit attributable to equity shareholders (₹ in Lakh) (A)	**15,320.36**	**13,418.23**
Weighted average number of equity shares for basic EPS (B)	**11,45,11,324.66**	**10,68,80,187.67**
Effect of dilution:		
Total weighted average potential equity shares	-	50,09,253.32
Weighted average number of equity shares adjusted for the effect of dilution (C)	**11,45,11,324.66**	**11,18,89,440.99**
Basic EPS (Amount in ₹) (A/B)	**13.38**	**12.55**
Diluted EPS (Amount in ₹) (A/C)	**13.38**	**11.99**

40. RESEARCH AND DEVELOPMENT ACTIVITIES

Details of expenditure incurred in respect of research and development activities undertaken during the year is as follows

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue expenditure charged to profit and loss account	231.45	139.90

41. SEGMENT REPORTING

The Company is in the business of manufacturing of steel forging products having similar economic characteristics. The company and its Chief Operating Decision Maker (CODM) reviews steel forging business as the only segment and takes decision based on the demand and supply in forging business. Thus, as per Ind AS 108, the business activities fall within a single primary segment i.e. manufacturing and selling Steel Forging Products.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

a) Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Domestic	28,987.08	15,366.22
Export (include expert benefits and entitlements)	35,755.18	44,481.43
Total	**64,742.26**	**59,847.65**

b) Non-current assets

All Non-Current assets of the company are located in India.

c) Information about major customers

During the year ended March 31, 2026, revenue arising from one customer in India is contributing to more than 10% of the Company's revenue. (2025 : Nil).

During the year ended March 31, 2026 and March 31, 2025, revenue arising from one customer outside India is contributing to more than 10% of the Company's revenue.

NOTE 42 - LEASES

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(i) The Balance sheet shows the following amounts relating to leases:		
Right of use assets (Refer Note 7)		
Buildings	262.18	362.97
Plant & Machinery	2,350.73	-
Total	**2612.91**	**362.97**
Lease liabilities		
Current (Refer Note 7)	490.45	386.62
Non-current (Refer Note 7)	2,024.96	0.55
Total	**2,515.41**	**387.17**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(ii) Amounts recognised in statement of profit and loss		
Depreciation charge on Right of use assets (Refer Note 7)		
Buildings	100.79	100.50
(iii) Interest expense included in finance cost	226.43	37.87
(iv) Expense relating to short-term leases (included in other expenses)	233.94	164.58
(v) Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
(vi) Expense relating to variable lease payments not included in lease liability	-	-

43. ADDITIONAL REGULATORY INFORMATION

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

a) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

c) The Company has a Working Capital limit of ₹ 10,100 Lakhs from Union Bank of India, comprising of Fund-based limits of ₹ 7,600 Lakhs and non-fund-based limits of ₹ 2,500 Lakhs. and 7,500 Lakhs from Axis Bank comprising of Fund-based and non fund based limits. Also as at 31st March 2026 company has temporary adhoc working capital facility of Rs.1500 Lakhs from union bank of India. For the said facility, the Company has submitted Stock and debtors statement to the bank on monthly basis as also the Quarterly Information Statements. The average difference is not material and is less than 1% of amount of stock and debtors, which is on account of valuation, provisions, etc.

d) The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

e) The Company does not have any transactions with struck-off companies.

f) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

g) The Company has Complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

h) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

j) The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l) Ratios

Particulars	Numerator	Denominator	Year Ended 31 March 2026	Year Ended 31 March 2025	% Variance	Reason for Variance
Current Ratio	Current assets	Current liabilities	2.93	2.81	4%	
Debt-Equity Ratio	Total debt	Shareholder's Equity	0.11	0.04	177%	Increase is due to fresh borrowings availed during the year for capital expenditure and working capital; gearing remains low at 0.11 times.
Debt Service Coverage Ratio	Profit before Tax, Exceptional Items, Depreciation, Interest cost	Interest Cost + Long Term Borrowings scheduled 'principal repayments (excluding prepayments / refinancing) 'during the year)	10.23	5.68	80%	
Return on Equity Ratio	[Net Profits after taxes]	Average Shareholder's Equity	0.13	0.18	-27%	Return on Equity Ratio reduced on account of increase in share capital.
Inventory Turnover Ratio (In Days)	Revenue From Operations	Average Inventory	51.66	46.00	12%	

Particulars	Numerator	Denominator	Year Ended 31 March 2026	Year Ended 31 March 2025	% Variance	Reason for Variance
Trade Receivables Turnover Ratio (In Days)	Revenue From Operations	Average Accounts Receivable	168.58	138.00	22%	
Trade payables turnover ratio (In Days)	Net Credit Purchases	Average Trade Payables	69.48	96.00	-28%	Trade payable turnover ratio improved due to better working capital management
Net Capital Turnover Ratio	Revenue From Operations	Working Capital	1.59	1.89	-16%	
Net Profit Ratio %	Net Profit	Revenue From Operations	0.24	0.22	6%	
Return on Capital Employed %	Earnings before interest and taxes (EBIT)	Capital Employed	0.14	0.19	-28%	Decline is on account of the increase in capital employed from the equity capital raised during the year, the deployment of which will yield returns in subsequent periods.
*Return on Investment	Earnings before interest and taxes (EBIT)	Average Total Assets	0.15	0.21	-27%	Decline is on account of the growth in the average asset base during the year being proportionately higher than the growth in earnings before interest and taxes.

* The Company is not holding any Treasury investments.

44. DISCLOSURE AS PER IND AS 107

a) Fair Value Measurement

i. Categories and hierarchy of financial instruments

The carrying values of the financial instruments by categories were as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets Measured at amortised cost						
Loans	-	-	367.11	-	-	897.08
Trade receivables	-	-	33,907.66	-	-	26,725.45
Cash and cash equivalents	-	-	8,448.07	-	-	9,263.80
Bank balances other than cash and cash equivalents	-	-	333.85	-	-	313.56
Other financial assets	-	-	1,305.59	-	-	714.83
Total financial assets at amortised cost	**-**	**-**	**44,362.28**	**-**	**-**	**37,914.72**
Financial liabilities Measured at amortised cost						
Borrowings	-	-				
Long term Borrowings	-	-	1,072.18	-	-	1,605.76
Short term Borrowings	-	-	11,599.35	-	-	1,985.49
Trade payables	-	-	5,239.78	-	-	11,206.23
Other financial liabilities	-	-	341.07	-	-	554.46
Total financial liabilities carried at amortised cost	**-**	**-**	**18,252.38**	**-**	**-**	**15,351.94**

FVPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

(₹ in Lakhs)

Particulars	For the year ended 31March 2026		For the year ended 31 March 2025	
	Carrying cost	Amortised Cost	Carrying cost	Amortised Cost
Non-current financial assets				
Investments in equity shares	30.73	30.73	30.33	30.33
Other Financial Assets	189.15	189.15	55.65	55.65
Non current financial liabilities				
Borrowings	1,072.18	1,072.18	1,605.76	1,605.76
Lease liabilities	2,024.96	2,024.96	0.55	0.55

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

The fair value of non current borrowings is considered to be equal to the carrying amount as the same is at variable rate of interest

b Financial risk management

Market risk is the potential loss of earnings, fair values, or cash flows due to changes in interest rates, foreign exchange rates, equity prices, or other market variables affecting financial instruments. The Company's principal financial liabilities comprise borrowings, lease obligations, and trade payables, while its financial assets mainly include receivables, cash, and deposits. Key risks arising from these instruments are foreign currency risk, interest rate risk, credit risk, and liquidity risk. The Board of Directors reviews and approves policies for managing these risks. The Corporate Treasury function facilitates access to financial markets and oversees risk management in line with approved policies. The Company does not enter into derivatives for speculative purposes.

1) Market risk

The Company is primarily exposed to risks arising from fluctuations in foreign currency exchange rates, interest rates, and commodity prices. These risks are managed through prudent financial management, operational efficiencies, and continuous monitoring rather than through the use of derivative or forward contracts

To address such exposures, the Company has established Risk Management Policies approved by the Board of Directors, providing a structured framework for identifying, assessing, and mitigating risks. The Treasury Department tracks foreign exchange exposures and commodity price movements, prepares periodic reports, and submits them to the Risk Management Committee. These reports are subsequently placed before the Audit Committee to ensure oversight, compliance, and effective implementation of the approved framework.

The Company does not trade in financial instruments for speculative purposes.

a) Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets. The Company is exposed to exchange rate risk under its trade portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in decrease in the Company's overall receivables in Rupee terms and favourable movements in the exchange rates will conversely result in increase in the Company's receivables in Rupee terms.

Going by the past trends and future prospects in respect of movement in exchange rate between the Rupee and any relevant foreign currency, the Board expects that there will be favourable movements in the exchange rate and accordingly the management has decided not to hedge the foreign currency through any forward exchange contract. Therefore, receivables aggregating to ₹ 30,649.65 lakhs outstanding As at 31 March 2026 represents as unhedged position.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Foreign Currency exposure as at 31 March 2026

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Assets				
Trade receivables	19,450.75	672.80	10,526.10	30,649.65
Other assets	17,145.74		174.01	17,319.75
Total assets (A)	**36,596.49**	**672.80**	**10,700.11**	**47,969.40**
Liabilities				
Trade payables	341.60			341.60
Other liabilities				-
Total liabilities (B)	**341.60**	**-**	**-**	**341.60**
Net Exposure (A-B)	**36,254.89**	**672.80**	**10,700.11**	**47,627.80**

Foreign Currency exposure as at 31 March 2025

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Assets				
Trade receivables	20,838.21	682.81	4,381.41	25,902.43
Other assets	4,840.92		866.10	5,707.02
Total assets (A)	**25,679.13**	**682.81**	**5,247.51**	**31,609.45**
Liabilities				
Trade payables	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**
Net Exposure (A-B)	**25,679.13**	**682.81**	**5,247.51**	**31,609.45**

*unhedged currency position

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Particulars	Increase (strengthening of ₹)		Decrease (weakening of ₹)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Receivable				
USD/INR	(362.55)	(256.79)	362.55	256.79
EUR/INR	(6.73)	(6.83)	6.73	6.83
AED/INR	(107.00)	(52.48)	107.00	52.48
Payable				
USD/INR		-		-

b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings

(₹ in Lakhs)

	As at 31 March 2026	As at 31 March 2025
Fixed rate borrowings	1,084.29	1,416.85
Floating rate borrowings	11,587.24	2,174.40
Total borrowings	**12,671.53**	**3,591.25**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2026 would decrease / increase by ₹ 115.87 Lakhs (for the year ended 31 March 2025: decrease / increase by ₹ 21.74 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

c) Commodity Price Risk

The Company is primarily exposed to fluctuations in the prices of steel and alloy steels, which are the key raw materials for manufacturing crankshafts. Most contracts with Indian customers are based on mutually agreed price mechanisms, which partially offset the impact of raw material price volatility. However, in the case of firm price orders, any sharp movement in commodity prices may impact profitability.

The Company manages this risk through long-term supplier relationships, bulk procurement strategies, and continuous monitoring of price trends. Risk management policies approved by the Board of Directors provide a structured framework for addressing commodity price exposures. The Company does not enter into commodity derivative contracts and relies on operational measures to mitigate such risks.

2) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash & cash equivalents.

Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Cash and cash equivalents

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. The Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit- ratings assigned by credit-rating agencies.

In addition, the Company is not exposed to credit risk in relation to financial guarantees given to banks and other counterparties.

3. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long- term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non- derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure As at 31 March 2026

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
Financial assets				
Non-current investments		30.73		30.73
Trade receivables	33,907.66			33,907.66
Cash and cash equivalents	8,448.07			8,448.07
Bank balances other than cash and cash equivalents	333.85			333.85
Loans	367.11			367.11
Other financial assets	1,116.44	189.15		1,305.59
Total financial assets	**44,173.13**	**219.88**	**-**	**44,393.01**
Financial liabilities				
Long term borrowings	807.68	1,072.18		1,879.86
Short term borrowings	10,791.67			10,791.67
Trade payables	5,239.78	-		5,239.78
Other financial liabilities	831.52	2,024.96		2,856.48
Total financial liabilities	**17,670.65**	**3,097.14**	**-**	**20,767.79**

Liquidity exposure as at 31 March 2025

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
Financial assets				
Non-current investments		30.33		30.33
Trade receivables	26,725.45			26,725.45
Cash and cash equivalents	9,263.80			9,263.80
Bank balances other than cash and cash equivalents	313.56			313.56
Loans	897.08			897.08
Other financial assets	659.18	55.65		714.83
Total financial assets	**37,859.07**	**85.98**	**-**	**37,945.05**
Financial liabilities				
Long term borrowings	865.49	1,605.76		2,471.25
Short term borrowings	1,120.00			1,120.00
Trade payables	11,206.23	-		11,206.23
Other financial liabilities	941.08	0.55		941.63
Total financial liabilities	**14,132.80**	**1,606.31**	**-**	**15,739.11**

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered (Refer note 23 and 25).

4) Capital Risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion and repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the equity capital by way of preferential allotment. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

(₹ in Lakhs)

	As at 31 March 2026	As at 31 March 2025
Long term borrowings	1,072.18	1,605.76
Current maturities of long term debt and finance lease obligations	807.68	865.49
Short term borrowings	10,791.67	1,120.00
Less: Cash and cash equivalent	(8,448.07)	(9,263.80)
Less: Bank balances other than cash and cash equivalents	(333.85)	(313.56)
Less: Current investments	-	-
Net debt	**3,889.61**	**(5,986.11)**
Total equity	**1,36,973.34**	**94,886.60**
Gearing ratio	**0.03**	**(0.06)**

i. Equity includes all capital and reserves of the Company that are managed as capital.

ii. Debt is defined as long and short term borrowings, as described in notes 23 and 25.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

45. EMPLOYEE BENEFIT OBLIGATIONS

a. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund recognised in statement of profit and loss of Rs.23.93 Lakhs (31 March 2025: Rs.22.61) (included in note 33).

b. Defined benefit plans

The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, all employees are entitled to Gratuity Benefits on exit from service due to retirement, resignation or death at the rate of 15 days' salary for each year of service with payment ceiling of ₹ 20 lakhs. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at 31 March 2026 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

i. Reconciliation of Opening and Closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	**2025**
Defined Benefit obligation at beginning of year	**142.68**	**108.88**
Current Service Cost	21.77	19.03
Past Service Cost	-25.78	0.00
Interest Cost	10.25	8.43
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-5.91	0.00
- Due to Change in Financial Assumptions	0.00	3.81
- Due to Experience	6.45	2.53
Benefits paid	0.00	0.00
Defined Benefit obligation at year end	149.46	142.68

ii. Expenses recognised in statement of profit and loss account

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	**2025**
Current Service Cost	21.77	19.03
Past Service Cost	-24.17	0.00
Net Interest Cost	10.25	8.43
Component of defined benefit cost recognised in statement of profit and loss	**7.85**	**27.46**
Remeasurement of net defined benefit liability		
Actuarial (gain)/loss on defined benefit obligation	0.55	6.33
Component of defined benefit cost recognised in other comprehensive income	**0.55**	**6.33**

iii. Actuarial assumptions

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	**2025**
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate (p.a.)	7.25%	6.85%
Attrition Rate	5% to 1%	5% to 1%
Retirement age	58.00	58.00
Rate of escalation in salary (p.a.)	6.00%	6.00%

iv. The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	**2025**
Present value of obligation	149.46	142.68
Net liability / (asset) arising from defined benefit obligation	**149.46**	**142.68**

v. Sensitivity Analysis – Gratuity

(₹ in Lakhs)

Particulars	2025-26	2024-25
Projected Benefit Obligation on Current Assumptions	149.46	142.68
Discount Rate - 1 percent increase	139.14	131.93
Discount Rate - 1 percent decrease	161.43	155.24
Salary Escalation Rate - 1 percent increase	161.46	155.21
Salary Escalation Rate - 1 percent decrease	138.93	131.77
Withdrawal Rate - 1 percent increase	150.47	143.33
Withdrawal Rate - 1 percent decrease	148.33	141.95

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

vi. Maturity analysis of projected benefit obligation

(₹ in Lakhs)

Particulars	Less than a year	Between 1 to 5 years	Between 6 to 10 years	Total
As at 31 March 2026				
Projected benefit payable	29.51	49.38	54.11	**133.00**
As at 31 March 2025				
Projected benefit payable	24.13	41.38	60.90	**126.41**

46. CONTINGENT LIABILITIES AND LEGAL CASES

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Bank guarantee	-	-

During the year/during the period under audit, the Income Tax Department conducted a search and seizure action under Section 132 of the Income Tax Act, 1961, at the business premises / residential premises of the Company & its whole time directors & CFO on 7 January 2026, covering the financial year(s) FY 2020-21 to FY 2025-26.

As on the date of approval of these financial statements, the assessment/reassessment proceedings arising out of the said search are pending before the Income Tax authorities, and no final order has been passed. Consequently, the Company is unable to ascertain the exact financial impact, if any, that may arise on completion of such proceedings.

Based on the assessment made by the management and the opinion of its tax advisors, no material adjustment is considered necessary in the books of account for the year under review, in respect of the aforesaid search action. However, in the event any tax liability, interest, or penalty is levied pursuant to the completion of assessment proceedings, the same will be accounted for/ disclosed in the year in which such demand is finalized/crystallized

Capital Commitments

Estimated amount of contract remaining to be executed on capital account, net of advances is ₹20,071.81 lakhs (Previous year ₹5,499.92 lakhs).

47. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

a) List of Related Parties

Subsidiaries

Safa Otomotiv FZ – LLC*

Naya Energy Works Private Limited

Balu Advanced Technologies & Systems Private Limited

Key Management Personnel (KMP)

JaspalSingh Chandock – Chairman and Managing Director

Trimaan Chandock – Whole Time Director

Jaikaran Chandock – Whole Time Director

Raghvendra Raj Mehta – Independent Director (Ceases to be Independent Director from 06.05.2026)

Radhey Shyam Soni - Independent Director

Ms. Shalu Bhandari - Independent Director

Rooplal Meena - Independent Director

Amit Todkari - Chief Financial Officer (Ceases to be Chief Financial Officer from 25.05.2026)

Tabassum Begum – Company Secretary

Relative of Key Management Personnel (KMP)

Mrs. Nivjeet Chandock – Wife of JaspalSingh Chandock

Mrs. Mukta Chandock – Wife of Jaikaran Chandock

Entities where control / significant influence by KMPs and their relatives exists and with whom transaction have taken place.

Hotel Imperial Palace (I)

New Global Forge Private Limited

Swan Balu Heavy Industries Limited

b) Details of transactions with related parties

(₹ in Lakhs)

Name of related party/Nature of Transaction	2025-26	2024-25
Director's Remuneration		
Mr. Jaspalsingh Chandock	220	116.00
Mr. Trimaan Chandock	88	45.50
Mr. Jaikaran Chandock	88	45.50
Salary paid		
Amit Todkari	18.35	16.39
Tabassum Begum	11.79	10.47
Director Sitting fees		
Raghvendra Raj Mehta	4.65	4.35
Shalu Bhandari	4.45	4.15
Radhey Shyam Soni	4.45	4.15
Rooplal Meena	3.85	-
Loan Repaid by parties		
Safa Otomotiv FZ – LLC	743.84	-
Interest Received		
Safa Otomotiv FZ – LLC	37.77	55.87
Safa Otomotiv FZ – LLC (Trade Receivable-Dr.)		
Debtors' realisations	793.06	-
Safa Otomotiv FZ – LLC (Advance given for Machinery -Dr.)		
Machinery Purchased	714.82	-
Loan Taken		
Jaspalsingh Chandock	2,393.28	1,910.00

(₹ in Lakhs)

Name of related party/Nature of Transaction	2025-26	2024-25
Loan Repaid to parties		
Jaspalsingh Chandock	2,393.28	1,924.13
Interest paid to parties		
Jaspalsingh Chandock	37.85	15.70
Rent paid to parties		
Hotel Imperial Palace (I)	126.68	96.80
Reimbursement of expenses		
Safa Otomotiv FZ – LLC (Expenses on behalf of Party)	-	10.80
Safa Otomotiv FZ – LLC (Expenses on behalf of Balu Forge Ind. Ltd)	2.18	99.25
Jaspalsingh Chandock (Expenses on behalf of Party)	-	-
Jaspalsingh Chandock (Expenses on behalf of Balu Forge Ind. Ltd)	2.24	17.74
Hotel Imperial Palace (I) (Expenses on behalf of Party)	-	2.38
Jaikaran Chandock (Expenses on behalf of Party)	25.59	2.53
Jaikaran Chandock (Expenses on behalf of Balu Forge Ind. Ltd)	-	-
Trimaan Chandock (Expenses on behalf of Party)	23.78	4.15
Naya Energy Private Limited (Expenses on behalf of Party)	-	1.05
Balu Advance Technology and System Private Limited (Expenses on behalf of Party)	-	1.05
Outstanding balance at the end of the year		
Safa Otomotiv FZ – LLC (Reimbursement of Expenses Dr.)	137.85	127.18
Safa Otomotiv FZ – LLC (Loan -Dr.)	36.16	738.92
Safa Otomotiv FZ – LLC (Trade Receivable-Dr.)	524.13	1,301.27
Safa Otomotiv FZ – LLC (Investment in Equity Shares Dr.)	30.33	30.33
Safa Otomotiv FZ – LLC (Advance given for Machinery -Dr.)	2,334.32	2,695.39
Naya Energy Private Limited Dr.	1.05	1.05
Balu Advance Technology and System Private Limited Dr	1.05	1.05
Amit Todkari	1.41	1.28
Tabassum Begum	0.91	0.83
Mr. Jaspalsingh Chandock - Advance Salary	120.00	-
Mr. Trimaan Chandock - Advance Salary	48.00	-
Mr. Jaikaran Chandock – Advance Salary	24.00	-
Naya Energy Private Limited Dr. - Investment	1.00	1.00
Balu Advance Technology and System Private Limited Dr - Investment	1.00	1.00
Swan Balu Heavy Industries (share application money pending allotment)	0.40	-

* The company operates an assembly unit at Ras Al Khaimah, United Arab Emirates. The primary operation is towards assembly & supply of power train subassemblies to customers in the Middle East & North Africa. The company received its first major breakthrough in March, 2023 & released to the exchange was given at the time. As an assembly line setup, finished components are assembled & tested via a test bench & other testing infrastructure. The Plant was taken on lease from Ras al Khaimah economic zone (RAKEZ) which was in a ready to use condition. The company has qualified as QFZP (Qualifying Free Zone Person) & is legally paying 0% tax on its qualifying income while non qualifying income is taxed at 9% in the United Arab Emirates. Please feel free to visit the website of Safa Otomotiv, www.safaotomotiv.ae for more information about the business.

* The Reporting period for the subsidiary Safa Otomotiv FZ-LLC is 01.01.2025 to 31.12.2025 (Calendar Year) but the above figures are audited numbers as mentioned in the audited financial for the period from 01.04.2025 to 31.03.2026.

48. EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Gross amount required to be spent by the company during the year	155.58	86.38
Amount required to be set off for the financial year, if any	(13.01)	(12.99)
Net amount required to be spent by the company during the year	142.57	73.39
Amount of expenditure incurred	156.50	86.40
Shortfall / (Excess) at the end of the year	(13.93)	(13.01)
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting Education, Empowering women and protection of flora and fauna	Promoting Education, Empowering women
Details of related party transactions in relation to CSR expenditure as per relevant	NA	NA

The Company has spent the entire CSR obligation for the year, with actual expenditure exceeding the prescribed amount. Accordingly, there is no unspent CSR amount and the provisions of Section 135(6) of the Companies Act, 2013 are not applicable.

49. The Company has approved its financial statements in its board meeting dated May 30, 2026.

Signatures to Notes 1 to 49 which form an integral part of financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Mumbai, May 30, 2026

Independent Auditor's Report

TO THE MEMBERS OF
Balu Forge Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Balu Forge Industries Limited (herein referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015,as amended, ("IndAS")and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

1. We draw attention regarding export trade receivables amounting to Rs. 33,907.66 Lakhs outstanding as at the balance sheet date. The management has represented that the realization of certain export receivables has been impacted/interrupted due to prevailing geopolitical and market conditions affecting overseas customers and cross-border trade operations. Based on the information and explanations provided to us, the management considers the said receivables as recoverable in the ordinary course of business.

2. We draw attention to the fact that the bank reconciliation statements include cheques aggregating to Rs. 2,440.76 lakhs received from customers and recorded in the books of account, which remained on hand and were not deposited/realised as on the date of this report. The management has represented that these cheques are valid, recoverable and are being processed for realisation.

   Our Opinion is not modified in respect of above matters

Other Matters

The Company has export receivables outstanding as at the period end from its wholly owned subsidiary amounting to Rs 524.13 Lakhs, the realization for which exceeds the prescribed timelines as per the Reserve Bank of India's Master Direction on Export of Goods and Services.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i)of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in(i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements

   (d) In our opinion, the aforesaid consolidated financial statements comply with the IndAS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2026 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management form directors of its subsidiaries which are incorporated in India, as on 31st March 2026, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries incorporated in India during the year ended 31st March, 2026.

      iv. The respective Board of Directors of the Companies and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that to the best of their knowledge and belief as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v. The respective Board of Directors of the Companies and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that to the best of their knowledge and belief as disclosed in the notes to accounts no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) &(b) above contain any material mis-statement.

vii. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. The Company has not proposed final divided for the year.

viii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per statutory requirements for record retention.

2. With respect to the matters specified in the paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("The Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, and Auditors report issued by the respective auditors of the subsidiaries, incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **M. B. Agrawal & Co.**
Chartered Accountants
(Firm's Registration No.100137W)

Sd/-
M. B. Agrawal
Partner
(Membership No.009045)

Place: Mumbai
Date: 30th May, 2026
UDIN: 26009045BCJUSY8566

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balu Forge Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting of Balu Forge Industries Limited("the Company") and its subsidiary companies, which are companies incorporated in India, as of that date

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However efforts for further strengthening certain procedural frameworks and documentation routines is needed.

For **M. B. Agrawal & Co.**
Chartered Accountants
(Firm's Registration No.100137W)

Sd/-
M. B. Agrawal
Partner
(Membership No.009045)

Place: Mumbai
Date: 30th May, 2026
UDIN: 26009045BCJUSY8566

Consolidated Balance Sheet

as at 31st March 2026

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	6	48,790.71	14,680.26
(b) Right-of-use assets	7	2,612.91	362.97
(c) Capital work-in-progress	8	27,730.67	41,710.69
(d) Goodwill	9	3,254.45	3,254.45
(e) Intangible assets	9	1.08	1.55
(f) Financial assets			
i. Investments	10	0.40	-
ii. Other financial assets	11	189.15	55.65
(g) Deferred tax assets (net)	12	207.54	169.15
(h) Other non-current assets	13	22,907.20	8,216.23
Total Non-Current Assets		**1,05,694.11**	**68,450.95**
2 Current Assets			
(a) Inventories	14	14,527.87	9,808.97
(b) Financial assets			
i. Trade receivables	15	42,510.20	32,726.73
ii. Cash and cash equivalents	16	8,566.01	9,307.85
iii. Bank balances other than cash and cash equivalents	17	333.85	313.56
iv. Loans	18	189.31	15.36
v. Other financial assets	19	1,125.29	666.16
(c) Other current assets	20	12,131.58	3,929.44
Total Current Assets		**79,384.11**	**56,768.07**
Total Assets		**1,85,078.22**	**1,25,219.02**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	12,139.19	11,076.69
(b) Other equity	22	1,47,313.03	94,244.88
Total Equity		**1,59,452.22**	**1,05,321.57**
II Liabilities			
1 Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	23	1,072.18	1,605.76
ii. Lease liability	7	2,024.96	387.17
(b) Provisions	24	119.95	118.54
(c) Deferred tax liabilities (net)		-	-
Total Non-Current Liabilities		**3,217.09**	**2,111.47**
2 Current Liabilities			
(a) Financial liabilities			
i. Borrowings	25	11,599.35	1,985.49
ii. Lease liability	7	490.45	-
iii. Trade payables	26		
- Total outstanding dues of Micro and small enterprises		389.96	50.52
- Total outstanding dues of other than micro and small enterprises		5,916.96	11,750.50
iv. Other financial liabilities	27	574.17	680.00
(b) Other current liabilities	28	201.48	112.13
(c) Provisions	29	29.51	24.13
(d) Current tax liability (net)		3,207.03	3,183.21
Total Current Liabilities		**22,408.91**	**17,785.98**
Total Equity and Liabilities		**1,85,078.22**	**1,25,219.02**

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Mumbai, May 30, 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
I. Income			
i. Revenue from operations	30	1,10,736.69	92,361.74
ii. Other income	31	3,291.97	1,714.30
Total Income		**1,14,028.66**	**94,076.04**
II. Expenses			
i. Cost of materials consumed		75,828.49	60,774.92
ii. Changes in inventories of finished goods, stock in trade and work-in-progress	32	-4,872.33	-510.54
iii. Employee benefits expense	33	3,518.82	2,352.37
iv. Depreciation and amortisation expense	34	995.63	335.07
v. Finance costs	35	1,645.48	1,095.70
vi. Other expenses	36	6,307.93	4,634.26
Total Expenses		**83,424.02**	**68,681.78**
III. Profit before tax (I-II)		**30,604.64**	**25,394.26**
IV. Exceptional items		-	-
V. Profit before tax (III-IV)		**30,604.64**	**25,394.26**
VI. Tax expense			
i. Prior period tax	37	167.03	450.09
ii. Current tax	37	4,586.81	4,348.56
iii. Deferred tax	12	-38.26	210.07
VII. Profit after tax (V–VI)		**25,889.06**	**20,385.54**
VIII. Other comprehensive income	38		
A. Items that will not be reclassified to profit & loss			
i. Remeasurement of defined benefit obligations		-0.55	-6.34
ii. Tax relating to items that will not be reclassified to profit or loss		0.14	1.59
B. Items that will be reclassified to profit or loss			
i. Exchange differences on translation of financial statements of foreign operations		1,475.62	187.20
ii. Tax relating to items that will be reclassified to profit or loss		-	-
IX. Total other comprehensive (expense)/ income, net of income tax		**1,475.21**	**182.45**
X. Total comprehensive income for the year, net of tax (VII + VIII)		**27,364.27**	**20,567.99**
XI. Earnings per equity share of Rs.10 each:	39		
i. Basic (in ₹)		23.90	19.24
ii. Diluted (in ₹)		23.90	18.38

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Mumbai, May 30, 2026

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	No. of Shares	Amount
As at 1 April 2024	**10,25,91,900.00**	**10,259.19**
Changes in equity share capital during the year	81,75,000.00	817.50
As at 31 March 2025	**11,07,66,900.00**	**11,076.69**
Changes in equity share capital during the year	1,06,25,000.00	1,062.50
As at 31 March 2026	**12,13,91,900.00**	**12,139.19**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share Warrants	Reserves and surplus		Other comprehensive income		Total Equity
		Securities premium	Retained Earnings/ (losses)	Remeasurements of defined benefit obligations	Exchange differences on translation of foreign operations	
As at 1 April 2024	**2,295.00**	**25,886.04**	**16,911.02**	**-72.94**	**18.02**	**45,037.14**
Net income / (loss) for the year	-	-	20,385.54	-		20,385.54
Securities premium credited on Share issue	-	22,113.98	-	-		22,113.98
Issue of Share warrants	6,683.18	-	-	-		6,683.18
Dividend paid	-	-	-157.41	-		-157.41
Other comprehensive income	-	-	-	-4.75	187.20	182.45
As at 31 March 2025	**8,978.18**	**48,000.02**	**37,139.15**	**-77.69**	**205.22**	**94,244.88**
As at 1 April 2025	**8,978.18**	**48,000.02**	**37,139.15**	**-77.69**	**205.22**	**94,244.88**
Net income / (loss) for the year	-	-	25,889.06	-		25,889.06
Securities premium credited on Share issue	-	34,850.20	-	-		34,850.20
Issue / (conversion) of share warrants	-8,978.18	-	-	-		-8,978.18
Dividend paid	-	-	-168.14	-		-168.14
Other comprehensive income	-	-	-	-0.41	1,475.62	1,475.21
As at 31 March 2026	**-**	**82,850.22**	**62,860.07**	**-78.10**	**1,680.84**	**1,47,313.03**

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
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Director
(DIN 06965738)

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Mumbai, May 30, 2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit after tax		25,889.06		20,385.54
Adjustment for:				
Income tax expenses	4,715.58		5,008.72	
Depreciation & amortisation expense	995.63		335.07	
Interest received	(75.78)		(276.97)	
Finance costs	1,645.48		1,095.70	
Bad debts, loans and advances written off/written back (net)	1,808.95	9,089.86	13.96	6,176.48
Operating profit before working capital changes		**34,978.92**		**26,562.02**
Adjustment for:				
(Increase)/decrease in inventories	(4,715.90)		(862.31)	
(Increase)/decrease in trade receivables	(11,593.82)		(10,888.22)	
(Increase)/decrease in other receivables	(7,550.37)		(395.06)	
Increase/(decrease) in trade and other payables	(11,296.39)		3,862.08	
Increase/(decrease) in provisions	6.78	(30,433.79)	33.79	(8,249.72)
Cash flow from operations		**4,545.12**		**18,312.30**
Income taxes (paid)/ refund net		(1,375.31)		(3,512.02)
Net cash generated from operating activities		**3,169.81**		**14,800.28**
B. CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)/decrease property, plant and equipment (Net)	(20,704.46)		(41,541.53)	
(Increase)/decrease Capital Advance	(14,690.97)		(20.12)	
(Increase)/decrease in Investments	(0.40)			
Net cash used in investing activities		**(35,395.83)**		**(41,561.65)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital and share warrants	24,684.58		29,614.66	
Payment of lease liabilities	(542.84)		(77.01)	
Payment of interest on lease liabilities	(226.43)		(37.87)	
Proceeds/ (repayment) of long term borrowings (net)	(533.58)		(878.21)	
Proceeds/ (repayment) of short term borrowings (net)	9,613.86		(408.07)	
Interest received	75.78		276.97	
Dividend paid	(168.14)		(157.41)	
Finance costs (net)	(1,419.05)		(1,057.83)	
Net cash generated from financing activities		**31,484.18**		**27,275.23**
Net increase in cash and cash equivalents (A+B+C)		**(741.84)**		**513.86**
Cash and cash equivalents at the beginning of the year		9,307.85		8,793.99
Cash and cash equivalents at the end of the year		**8,566.01**		**9,307.85**
Cash on hand		188.80		123.96
Balance in current account and deposits with banks		8,377.21		9,183.89
Cash and cash equivalents at the end of the year		**8,566.01**		**9,307.85**

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

Reconciliation of liabilities arising from financing activities:

(₹ in Lakhs)

Particulars	As at 31 March 2025	Cash flows	Movement in Lease liabilities	Interest paid	As at 31 March 2026
Borrowings	3,591.25	8,222.27	-	858.01	12,671.53
Lease liabilities	387.17	(725.12)	2,626.93	226.43	2,515.41
Total liabilities from financing activities	**3,978.42**	**7,497.15**	**2,626.93**	**1,084.44**	**15,186.94**

(₹ in Lakhs)

Particulars	As at 31 March 2024	Cash flows	Movement in Lease liabilities	Interest paid	As at 31 March 25
Borrowings	4,877.53	(2,170.31)	-	884.03	3,591.25
Lease liabilities	1.61	(100.89)	448.58	37.87	387.17
Total liabilities from financing activities	**4,879.14**	**(2,271.20)**	**448.58**	**921.90**	**3,978.42**

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

Mumbai, May 30, 2026

Notes on the Consolidated Financial Statements

for the year ended 31 March 2026

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of Balu Forge Industries Limited (the company) having Corporate Identity Number L29100MH1989PLC255933 and its three wholly owned subsidiaries, together referred to as the 'Group'. The Group is a preferred supplier of crankshafts to OEMs in India and around the world with manufacturing facilities at Belagavi (Karnataka) and Dubai.

2. NEW AND AMENDED ACCOUNTING STANDARDS

Standards adopted during the year

The Ministry of Corporate Affairs, vide notifications dated 7 May 2025 [G.S.R. 291(E)] and 13 August 2025 [G.S.R. 549(E)], notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 respectively, amending Ind AS 21 (Lack of Exchangeability), Ind AS 1 (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants), Ind AS 7 and Ind AS 107 (Supplier Finance Arrangements) and Ind AS 12 (International Tax Reform — Pillar Two Model Rules). These amendments are effective for annual reporting periods beginning on or after 1 April 2025 and have been adopted by the Group from that date.

Standards notified but not yet effective

The Companies (Indian Accounting Standards) Amendment Rules, 2026, notified vide G.S.R. 725(E) dated 12 August 2026, amend Ind AS 109, Ind AS 107, Ind AS 101, Ind AS 110 and Ind AS 7, and are effective for annual reporting periods beginning on or after 1 April 2026. The amendment to Ind AS 1 governing the classification of a liability on breach of a covenant of a long-term loan arrangement is also effective from that date. No supplier finance arrangement, no non-current borrowing subject to future covenants, no non-exchangeable currency and no Pillar Two exposure across the Group:

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III) as applicable to financial statement.

Accordingly, the Group has prepared these Financial Statements which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements').

The financial statements of the Group for the year ended 31st March 2026 were approved for issue in accordance with the resolution of the Board of Directors on 30th May 2026.

4. BASIS OF PREPARATION AND COMPLIANCE WITH IND AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention and on the accrual basis as per the provisions of the Companies Act, 2013 ('the Act'), except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

5.1 Current and non-current classification

The Group classifies all assets and liabilities as current or non-current based on its normal operating cycle and the criteria specified under Indian Accounting Standards (Ind AS) and Schedule III of the Companies Act, 2013. Considering the nature of its services and the timeframe in which cash and cash equivalents are realized, the Group has determined its operating cycle to be twelve months for the purpose of distinguishing current and non-current assets and liabilities.

A liability is classified as non-current where the Group has, at the end of the reporting period, a right to defer settlement of the liability for at least twelve months after the reporting period, and that right has substance. The classification is not affected by the Group's intention or expectation as to whether it will exercise that right. Where the right to defer settlement is subject to compliance with specified conditions, only those conditions with which the Group is required to comply on or before the end of the reporting period affect the classification of the liability; conditions to be complied with after that date do not affect the classification, but the Group discloses information about such conditions and the carrying amount of the related liabilities. Where a liability may, at the option of the counterparty, be settled by the transfer of the Group's own equity instruments, that option is disregarded for the purpose of classification only where it is recognised as an equity component under Ind AS 32, Financial Instruments: Presentation.

Deferred tax assets and liabilities are always classified as non-current.

The applicable Ind AS are mandated under Section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, along with subsequent amendments. The Group has consistently applied its accounting policies except where a new accounting standard has been adopted for the first time or where a revision to an existing standard has required a change in the accounting policy previously followed.

These Financial Statements are presented in Indian Rupees (₹), which is the Group's functional currency. Unless stated otherwise, all financial figures have been rounded off to the nearest two decimal places in Lakhs.

5.2 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Group. Control is achieved when the Group:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.
- The Group reassesses control whenever facts or circumstances indicate changes in any of the above elements.
- the relative size and dispersion of its voting rights compared with other holders;
- potential voting rights of the Group other investors, or third parties;
- rights arising under contractual arrangements; and
- additional facts and circumstances, including past voting patterns at shareholders' meetings.

Consolidation of a subsidiary commences on the date control is obtained and ceases when control is lost. Income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the acquisition date to the date control ceases.

Profit or loss and each component of other comprehensive income are allocated to the Company's owners and non-controlling interests. This allocation is made even if it results in a deficit balance for non-controlling interests.

The financial statements of the Company and its subsidiaries are consolidated on a line-by-line basis by combining like items of assets, liabilities, income, and expenses. The subsidiary financial statements used for consolidation are prepared as of the same reporting date as the Company.

Where required, adjustments are made to align the accounting policies of subsidiaries with those of the Group. All intragroup balances, transactions, income, expenses, equity, and cash flows are eliminated in full. Unrealised gains on intragroup transactions are eliminated, while unrealised losses are eliminated unless they provide evidence of impairment of the transferred asset.

Changes in the Group's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. The carrying amounts of controlling and non-controlling interests are adjusted to reflect changes in relative ownership. Any difference between these adjustments and the fair value of consideration paid or received is recognised directly in equity and attributed to the Group's owners.

The following subsidiaries have been considered in preparation of the consolidated financial statements:

Name of Company	Country of incorporation	% of ownership interest either directly or through subsidiaries	
		As at 31 March 2026	As at 31 March 2025
Safa Otomotiv FZ – LLC	Dubai	100%	100%
Naya Energy Works Private Limited	India	100%	100%
Balu Advanced Technologies & Systems Private Limited	India	100%	100%

5.3 Use of Estimates and Judgements

In the preparation of the financial statements, the Group makes judgements in the application of accounting policies; and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience, future outlook and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The Group uses the following critical accounting estimates and judgements in preparation of its financial statements.

5.3.1 Impairment

The Group determines the recoverable amount of its cash-generating units (CGUs) by estimating future cash flows, taking into account current economic conditions and trends, projected operating performance and growth rates, as well as anticipated future economic and regulatory environments. These cash flow estimates are prepared using the Group's internal forecasts. The estimated future cash flows are then discounted to their present value using an appropriate discount rate.

5.3.2 The measurement of impairment for financial assets (other than those subsequently measured at fair value)

The measurement of impairment of financial assets requires the application of estimates and judgments, which are further detailed in the note on financial instruments under the section "Impairment of Financial Assets."

5.3.3 Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Group reviews the estimated useful lives of property, plant and equipment, right-of-use assets, and intangible assets at the end of each reporting period. Any reassessment may lead to changes in depreciation and amortisation expenses in future periods.

5.3.4 Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation, either legal or constructive, arising from past events, and it is probable that an outflow of resources will be required to settle the obligation, provided a reliable estimate can be made. This includes provisions for decommissioning, site restoration, and environmental obligations, which may be adjusted if changes in estimated reserves affect expectations regarding the timing or cost of these activities. All provisions are reviewed at each balance sheet date and updated to reflect the current best estimates.

Significant judgments are applied by the Group in assessing contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the Group's control, or where a present obligation exists but either the outflow of resources is not probable or the amount cannot be reliably estimated.

Contingent assets are neither recognized nor disclosed in the financial statements.

5.3.5 Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be determined based on quoted prices in active markets, the Group measures fair value using valuation techniques, such as the Discounted Cash Flow (DCF) model. Wherever possible, inputs to these models are derived from observable market data. However, when observable data is not available, the Group applies judgment to establish fair values, considering factors such as liquidity risk, credit risk, and market volatility. Changes in these assumptions could impact the reported fair value of financial instruments.

5.3.6 Leases

The Group assesses whether an arrangement qualifies as a lease in accordance with Ind AS 116, "Leases." Determining whether an arrangement contains a lease involves significant judgment, including evaluation of the terms and conditions such as the lease term, expected renewals, and the applicable discount rate. Lease payments are discounted using the interest rate implicit in the lease, if this rate can be readily identified. If not, the Group applies its incremental borrowing rate.

5.3.7 Retirement Benefit Obligations

The Group's retirement benefit obligations are based on several key assumptions, including discount rates, inflation rates, salary growth, and mortality rates. These assumptions require significant judgment, and any changes to them could materially impact the amounts recognized in the balance sheet and the statement of profit and loss. The Group establishes these assumptions based on historical experience and advice from independent actuaries. These assumptions are reviewed annually and updated to reflect actuarial valuations and experience adjustments.

5.3.8 Classification of liabilities as current or non-current

The classification of borrowings as current or non-current requires judgement as to whether the Group has, at the reporting date, a right to defer settlement for at least twelve months and whether that right has substance. Where borrowings are subject to covenants, judgement is applied in determining which covenants are required to be complied with on or before the reporting date, and in assessing whether such covenants have been complied with at that date.

5.4 Property, Plant and Equipment (PPE)

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements of M/s. Balu India, proprietary concern, measured as per the previous GAAP and use that as its deemed cost as at the date of succession.

Capital Work-in-Progress

These are stated at cost to date relating to projects in progress, incurred during construction / pre-operative period (Net of income) incurred during the construction/ pre-operative period and the same is allocated to the respective property, plant and equipment on the completion of their construction. Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business succession is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows:

Sr. No.	Asset Head	Remaining useful life
1	Software	5

Depreciation & amortization

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Group has redefined the useful life / residual value of assets acquired on business succession in accordance with the terms and conditions set out in the Business Succession Agreement dated 3 August 2020, on the basis of detailed technical analysis, taking into account the nature of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc. which is depicted in below mentioned table.

Sr. No.	Asset Head	Remaining useful life
1	Plant & Machinery	15
2	Office Equipment	5
3	Computers	3
4	Motor Vehicles	8 - 10
5	Electrical Installation	10
6	Factory building	30
7	Furniture & Fixtures	10
8	Computers - Server & Networks	6

Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

5.5 Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method in accordance with Ind AS 28, Investments in Associates and Joint Ventures. Under the equity method, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the investee. Where the Group's share of losses equals or exceeds its interest in the investee, the Group discontinues recognising its share of further losses. An investment, or a portion thereof, that is classified as held for sale is accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations. Investments in subsidiaries are consolidated in accordance with Ind AS 110 as set out in Note 5.2 above.

5.6 Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary.

Cost of raw materials comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing and other indirect overheads based on the normal operating capacity but excluding borrowing costs. Cost of purchased inventory is determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

5.7 Revenue Recognition

Revenue from contracts with customers is recognised in accordance with Ind AS 115, Revenue from Contracts with Customers, when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

i. Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

The Group identifies the performance obligations in a contract and allocates the transaction price to those obligations. Where consideration is variable including on account of discounts, rebates, price concessions, incentives or rights of return revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is subsequently resolved. Amounts received or receivable from customers before the related performance obligation is satisfied are presented as contract liabilities; the right to consideration that is conditional on something other than the passage of time is presented as a contract asset. The Group does not adjust the transaction price for a significant financing component where the period between the transfer of goods and payment is expected to be one year or less.

ii. Interest and dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

5.8 Leases

As a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases having lease term of 12 months or less and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, and includes the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the Group under residual value guarantees, if any
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

In case of sale and leaseback transactions, the Group first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of Ind AS 115. If the transfer qualifies as a sale and the transaction is at market terms, the Group effectively derecognises the asset, recognises a ROU asset and corresponding lease liability. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Short-term leases and leases of low-value assets

Payments associated with short-term leases of plant and equipment, buildings and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

5.9 Foreign Currency Transactions

The functional currency of the Group is Indian National Rupee (₹).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

At each reporting date, the Group assesses whether a currency is exchangeable into another currency. Where a currency is not exchangeable at the measurement date, the Group estimates the spot exchange rate as the rate that would apply to an orderly exchange transaction between market participants under prevailing economic conditions, and makes the disclosures required by Ind AS 21.

Exchange differences on monetary items are recognized in Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their income and expenses are translated at the average exchange rates for the period. The exchange differences arising on translation are recognised in other comprehensive income and accumulated in a separate component of equity as the foreign currency translation reserve. On disposal of a foreign operation, the related cumulative amount is reclassified to the Statement of Profit and Loss.

5.10 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The Group calculates current tax using the tax rates that have been enacted or substantively enacted by the end of the reporting period in India, where it operates and generates taxable income.

Management regularly reviews positions taken in tax filings, especially in cases where tax regulations are open to interpretation. Provisions are recognized as necessary based on the amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are off set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

5.11 Borrowing Cost

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

5.12 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

5.13 Employee benefits

5.13.1 Defined Contribution Plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered services entitling them to the contributions. The Group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are incurred.

5.13.2 Defined Benefits Plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

5.13.3 Compensated absences

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date using the projected unit credit method with actuarial valuation being carried out at each year-end balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation.

5.14 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

i. Financial Assets

Cash and bank balances

Cash and bank balances consist of:

(i) Cash and cash equivalents – which includes cash in hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

(ii) Other balances with banks – which also include balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost when they are held within a business model whose objective is to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Financial Assets Measured at Fair Value

Financial assets are classified as measured at fair value through other comprehensive income (FVOCI) when they are held within a business model whose objective is both to collect contractual cash flows and to sell the assets, and where contractual cash flows represent solely payments of principal and interest. The Group has made an irrevocable election for certain equity investments (excluding investments in associates and joint ventures) not held for trading to present subsequent fair value changes in other comprehensive income. This election is made on an instrument-by-instrument basis at initial recognition. These investments are held for medium to long-term strategic purposes.

Management believes that presenting these changes in OCI better reflects the nature of such investments than recognizing fair value changes directly in the Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI measurement are carried at fair value through profit or loss (FVTPL).

Interest Income

Interest income is recognized on an accrual basis using the effective interest rate method, calculated by applying the effective interest rate to the principal outstanding, and is recorded in the Statement of Profit and Loss.

Dividend Income

Dividend income from investments is recognised in the Statement of Profit and Loss when the Group's right to receive payment is established.

Impairment of Financial Assets

The Group applies the expected credit loss (ECL) model for impairment of financial assets measured at amortised cost and FVOCI. Lifetime expected credit losses are recognized for all trade receivables that do not have a financing component. For financial assets other than these trade receivables, the loss allowance is measured as 12-month expected credit losses where the credit risk has not significantly increased since initial recognition; however, if the credit risk has increased significantly, lifetime expected credit losses are recognized.

Derecognition of Financial Assets

The Group derecognizes a financial asset only when the contractual rights to cash flows expire or when the asset is transferred along with substantially all the risks and rewards of ownership to another party. If the Group neither transfers nor retains substantially all risks and rewards but retains control, it continues to recognize the asset with an associated liability for amounts that may be payable. If the Group retains substantially all risks and rewards, the asset continues to be recognized, together with a borrowing representing the proceeds received.

ii. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Group are classified based on the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all liabilities. Equity instruments are recorded at the proceeds received, net of direct issuance costs.

Financial Liabilities

Trade payables and other short-term liabilities are initially measured at fair value minus transaction costs and subsequently measured at amortised cost using the effective interest rate method where the time value of money is significant. Interest-bearing bank loans, overdrafts, and issued debts are initially recognized at fair value and subsequently measured at amortised cost using the effective interest rate method. Any difference between proceeds (net of transaction costs) and the redemption amount is recognized over the term in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

Financial liabilities are derecognized when the Group's obligations are discharged, cancelled, or have expired.

5.15 Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Group has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

5.16 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

5.17 Share Issue Expenses

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

5.18 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places in Lakhs as per the requirement of Schedule III, unless otherwise stated.

5.19 Exceptional items

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

5.20 Statement of cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Group are segregated in accordance with Ind AS 7, Statement of Cash Flows.

5.21 Government grants and export incentives

Government grants, including export incentives, are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants related to income are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate, and are presented as other operating revenue. Grants related to assets are presented as a deduction from the carrying amount of the related asset and recognised in the Statement of Profit and Loss over the useful life of that asset by way of a reduced depreciation charge.

5.22 Events after the reporting period

Adjusting events are events that provide evidence of conditions that existed at the end of the reporting period. The effects of such events are recognised in the financial statements. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period; where material, the nature and an estimate of the financial effect of such events are disclosed in the notes.

5.23 Dividend distribution

Dividend to equity shareholders is recognised as a liability and deducted from equity in the period in which the dividend is approved by the shareholders. Interim dividend is recognised as a liability in the period in which it is declared by the Board of Directors.

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Motor Vehicles	Office Equipments	Furniture& Fixture	Computers	Total Assets
Gross Carrying Amount									
As at 1 April 2024	**447.34**	**111.59**	**1,447.10**	**28.44**	**640.48**	**65.16**	**40.50**	**15.77**	**2,796.37**
Additions		21.54	12,248.97	-	33.59	145.20	54.17	28.23	12,531.71
Disposals			35.25						35.25
Adjustments			-	-	-				-
As at 31 March 2025	**447.34**	**133.12**	**13,660.82**	**28.44**	**674.07**	**210.36**	**94.67**	**44.00**	**15,292.83**
Additions	844.53	2,314.24	31,125.03	-	340.87	51.50	0.08	6.51	34,682.76
Disposals									-
Adjustments									
As at 31 March 2026	**1,291.87**	**2,447.36**	**44,785.85**	**28.44**	**1,014.94**	**261.86**	**94.75**	**50.51**	**49,975.59**
Accumulated depreciation									-
As at 1 April 2024	**-**	**11.85**	**245.98**	**10.81**	**89.23**	**13.00**	**3.96**	**4.48**	**379.31**
Depreciation charge for the year		3.63	119.96	2.70	79.53	16.92	5.66	8.13	236.53
Disposals			3.27						3.27
As at 31 March 2025	**-**	**15.48**	**362.67**	**13.51**	**168.76**	**29.91**	**9.62**	**12.61**	**612.57**
Depreciation charge for the year		40.88	369.33	2.70	93.67	41.33	9.34	15.06	572.31
Disposals									-
As at 31 March 2026	**-**	**56.36**	**732.00**	**16.21**	**262.43**	**71.24**	**18.96**	**27.67**	**1,184.88**
Net book value									-
As at 31 March 2026	**1,291.87**	**2,391.00**	**44,053.85**	**12.23**	**752.51**	**190.62**	**75.79**	**22.84**	**48,790.71**
As at 31 March 2025	**447.34**	**117.64**	**13,298.15**	**14.93**	**505.31**	**180.45**	**85.05**	**31.39**	**14,680.26**

1. Property, plant and equipment having net carrying amount aggregating 48,326.34 Lakhs as on 31 March 2026 (14,197.85 Lakhs as at March 31, 2025), which are hypothecation / pledged as security for borrowings - Refer Notes 23 and 25.

2. The title deeds of all the immovable properties are held in the name of the Group except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

3. Disclosure of contractual commitments for acquisition of property, plant and equipment is provided in note no 45

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

(₹ in Lakhs)

Particulars	Building	Plant & Machinery	Total
Right-of-use assets as on 1 April 2024	**1.29**	**-**	**1.29**
Additions	463.46	-	463.46
Deductions	(1.28)	-	(1.28)
Amortisation expense	(100.50)	-	(100.50)
At 31 March 2025	**362.97**	**-**	**362.97**
Additions	-	2,671.07	2,671.07
Deductions	-	-	-
Amortisation expense	(100.79)	(320.33)	(421.13)
At 31 March 2026	**262.18**	**2,350.73**	**2,612.91**

(₹ in Lakhs)

Particulars	Building	Plant & Machinery	Total
Lease liabilities as on 1 April 2024	**1.61**	**-**	**1.61**
Additions	449.66	-	449.66
Deduction	(1.08)	-	(1.08)
Interest accrued	37.87	-	37.87
Lease payments	(100.89)	-	(100.89)
At 31 March 2025	**387.17**	**-**	**387.17**
Additions	-	2,626.93	2,626.93
Deduction	-	-	-
Interest accrued	31.67	194.76	226.43
Lease payments	(111.46)	(613.67)	(725.12)
At 31 March 2026	**307.38**	**2,208.02**	**2,515.41**
Short term lease liability	99.74	390.71	490.45
Long term lease liability	207.65	1,817.31	2,024.96

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The leases that the Company has entered with lessors are generally long-term in nature and no changes in terms of those leases.

8. CAPITAL WORK- IN-PROGRESS: AGEING

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	41,710.69	13,027.29
Addition during the year	20,298.06	41,063.99
Capitalisation during the year	34,637.48	12,380.59
Closing Balance	**27,371.27**	**41,710.69**

(₹ in Lakhs)

Particulars	As at 31st March 2026				
	Amount of Capital Work-in-progress for a period of				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Projects in progress at Belgaum Unit	27,371.27				27,371.27
Projects temporarily suspended	-	-	-	-	-
Total	**27,371.27**	**-**	**-**	**-**	**27,371.27**

(₹ in Lakhs)

Particulars	As at 31st March 2025				
	Amount of Capital Work-in-progress for a period of				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Projects in progress at Belgaum Unit	37,694.76	4,015.93	-	-	41,710.69
Projects temporarily suspended	-	-	-	-	-
Total	**37,694.76**	**4,015.93**	**-**	**-**	**41,710.69**

9. INTANGIBLE ASSETS AND GOODWILL

(₹ in Lakhs)

Particulars	#Goodwill	Computer Software	Amount
Cost			
As at 1 April 2024	**3,254.45**	**4.86**	**3,259.31**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2025	**3,254.45**	**4.86**	**3,259.31**
Additions	-	1.72	1.72
Disposals	-	-	-
As at 31 March 2026	**3,254.45**	**6.58**	**3,261.03**
Accumulated amortization			
As at 1 April 2024	**-**	**2.39**	**2.39**
Amortisation	-	0.92	0.92
Disposals	-	-	-
As at 31 March 2025	**-**	**3.31**	**3.31**
Amortisation	-	2.19	2.19
Disposals	-	-	-
As at 31 March 2026	**-**	**5.50**	**5.50**
Net book value :			
As at 31 March 2026	**3,254.45**	**1.08**	**3,255.53**
As at 31 March 2025	**3,254.45**	**1.55**	**3,256.00**

As a effect of reverse merger with M/s Balu India, a sole proprietary concern in accordance with the terms and conditions set out in the Business Succession Agreement dated 3 August 2020, the Company has recognised goodwill of ₹ 3254.45 lakhs. Goodwill is tested for impairment annually in accordance with the Company's procedure for determining the recoverable amount of such assets. For the purpose of impairment testing, entire business is considered as one Cash Generating Unit. The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The rate used to discount the forecasted cash flow is 12%. Five years period is considered for discounting. Terminal value growth rate is considered @ 3%.

Based on the above, no impairment was identified as of 31 March 2026 as the recoverable value of the cash generating unit exceeded the carrying value.

10. INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current investments		
Unquoted equity instruments,		
Investment in joint venture - Swan Balu Heavy Industries	0.40	-
Total	**0.40**	**-**

@ The Company has entered into a joint venture agreement with Swan Energy Limited, pursuant to which Swan Balu Heavy Industries Limited was incorporated as a joint venture company. The Company has paid share subscription money to the joint venture company; however, the corresponding shares are yet to be allotted.

11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	189.15	55.65
Total	**189.15**	**55.65**

12. Deferred tax asset / (liability) (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31 March 2025	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensiveincome	As at 31 March 2026
Property, plant and equipment	(134.40)	122.68	-	(11.72)
Provisions for employee benefits	35.91	1.85	-0.14	37.62
Lease liabilities	6.09	(30.63)	-	(24.54)
Impairment of Financial Assets	261.55	(55.37)	-	206.18
Total	**169.15**	**38.26**	**-0.14**	**207.54**

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31 March 2024	Recognised / (reversed) through profit and loss	Recognised in / reclassified from other comprehensiveincome	As at 31 March 2025
Property, plant and equipment	(56.51)	(77.90)	-	-134.41
Provisions for employee benefits	27.40	10.10	-1.59	35.91
Lease liabilities	0.08	6.01	-	6.09
Impairment of Financial Assets	406.65	(145.10)	-	261.55
Total	**377.62**	**206.88**	**-1.59**	**169.14**

13. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Capital advances	22,907.20	8,216.23
Total	**22,907.20**	**8,216.23**

14. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Raw materials and components (at cost)	581.66	510.34
Work-in-progress (at cost)	4,294.25	541.55
Stores and spares (at cost)	250.25	475.00
Finished goods (at cost or net realisable value whichever is lower)	9,401.71	8,282.08
Total	**14,527.87**	**9,808.97**

Inventories have been hypothecated as primary security against certain bank borrowings, details relating to which has been described in note no. 25.

15. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables considered good - Unsecured	43,329.34	33,765.86
Less: Allowance for doubtful debts	(819.14)	(1,039.13)
Discounted Trade Receivables	1,900.58	6,478.20
Total Trade Receivables	**44,410.78**	**39,204.93**
Less: Bills Payable against Discounted Trade Receivables	(1,900.58)	(6,478.20)
Total	**42,510.20**	**32,726.73**

In determining the allowances for credit losses of Trade Receivables, the Company has used a practical expedient by computing the Expected Credit Loss Allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Expected Credit Loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

i. Since the Company calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents Lifetime Expected Credit Loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the disclosure for all such Trade Receivables is made as shown above.

ii. Trade receivables have been given as security against certain bank borrowings, details relating to which has been described in note no. 25.

iii. Trade receivables does not include any receivables from directors and officers of the company.

iv. Balance confirmation from customers was called for by the Company. The company has received few confirmations, balance are awaited.

v. The increased in debtors was due to geopolitical situation arises in Q4 of FY 2025-2026.

Reconciliation of Credit Loss allowance:

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	1,039.13	1,615.60
Add: Provision created/(reversed) during the year (Net)	(219.99)	(576.47)
Balance at the end of the year	**819.14**	**1,039.13**

Ageing for Trade Receivables outstanding is as follows:

(₹ in Lakhs)

Particulars	Outstanding from following periods from due date of payment as on 31st March 2026					
	Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
Considered Good – Unsecured						
Undisputed	29,012.44	8,303.84	6,013.06			43,329.34
Disputed						
Trade Receivables –	29,012.44	8,303.84	6,013.06	-	-	43,329.34
Less: - Allowance for expected credit loss						-819.14
Total						**42,510.20**

(₹ in Lakhs)

Particulars	Outstanding from following periods from due date of payment as on 31st March 2025					
	Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
Considered Good – Unsecured						
Undisputed	17,427.36	11,869.31	4,469.19			33,765.86
Disputed						
Trade Receivables –	17,427.36	11,869.31	4,469.19	-	-	**33,765.86**
Less: - Allowance for expected credit loss		-				-1,039.13
Total		-	-			**32,726.73**

16. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks in current accounts	8,377.21	9,183.89
Cash on hand	188.80	123.96
Total	**8,566.01**	**9,307.85**

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with Banks		
In term deposit accounts with maturity more than 3 months	330.47	310.37
Unpaid dividend	3.38	3.19
Total	**333.85**	**313.56**

18. LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good)		
Loans & advances	189.31	15.36
Total	**189.31**	**15.36**

19. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Export benefits and entitlements	686.84	192.72
Security deposits	414.69	412.82
Others	23.76	60.62
Total	**1,125.29**	**666.16**

20. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Prepaid expenses	99.90	121.77
Advances to suppliers	5,937.27	810.31
GST Receivable	733.94	703.61
Others	5,360.47	2,293.75
Total	**12,131.58**	**3,929.44**

21. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026		As at 31 March 2025	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
Authorised:				
Equity Shares:				
Equity shares of ₹ 10/- each	12,50,00,000.00	12,500.00	12,50,00,000.00	12,500.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of ₹ 10/- each	12,13,91,900.00	12,139.19	11,07,66,900.00	11,076.69
Total	**12,13,91,900.00**	**12,139.19**	**11,07,66,900.00**	**11,076.69**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2026		As at 31 March 2025	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
At the beginning of the year	11,07,66,900.00	11,076.69	10,25,91,900.00	10,259.19
Issued during the year		-	45,00,000.00	450.00
Issued during the year (Conversion of Warrants into Equity Shares)	1,06,25,000.00	1,062.50	36,75,000.00	367.50
Outstanding at the end of the year	**12,13,91,900.00**	**12,139.19**	**11,07,66,900.00**	**11,076.69**

During the financial year 2025-26, the Company has issued and allotted:

i. 13,25,000 Equity Shares having face value of ₹ 10/- each at an issue price of ₹ 183.60/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 13,25,000 Convertible Warrants.

ii. 93,00,000 Equity Shares having face value of ₹ 10/- each at an issue price of ₹ 360.00/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 93,00,000 Convertible Warrants.

B. Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of `10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	Number of shares held having face value of ₹ 10 each	% of holding in class	Number of shares held having face value of ₹ 10 each	% of holding in class
Jaspalsingh Chandock	6,04,59,024.00	49.80%	5,74,40,024.00	51.86%

D. The details of promoter's shareholding are as under

Name of the promoter	As at 31 March 2026			As at 31 March 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Equity shares of ₹ 10/- each fully paid						
Mr. Jaspalsingh Chandock	6,04,59,204.00	49.80%	-3.97%	5,74,40,024.00	51.86%	-1.20%
Mr. Trimaan Chandock	25,75,900.00	2,12%	-9.01%	25,75,900.00	2.33%	0.83%
Mr. Jaikaran Chandock	25,10,150.00	2.07%	93.46%	11,85,150.00	1.07%	-0.43%
Total	**6,55,45,074.00**	**53.99**	**-2.29%**	**6,12,01,074.00**	**55.26%**	**-0.80%**

E. Information regarding issue/buyback of Equity Shares during last five years

i. No bonus share has been issued.

ii. No share has been bought back.

F. No Shares held in Abeyance

22. OTHER EQUITY

(₹ in Lakhs)

Particulars	Share Warrants	Reserves and surplus		Other comprehensive income		Total Equity
		Securities premium	Retained Earnings/ (losses)	Remeasurements of defined benefit obligations	Exchange differences on translation of foreign operations	
As at 1 April 2024	**2,295.00**	**25,886.04**	**16,911.02**	**-72.94**	**18.02**	**45,037.14**
Net income / (loss) for the year	-	-	20,385.54	-		20,385.54
Securities premium credited on Share issue	-	22,113.98	-	-		22,113.98
Issue of Share warrants	6,683.18	-	-	-		6,683.18
Dividend paid	-	-	-157.41	-		-157.41
Other comprehensive income	-	-	-	-4.75	187.20	182.45
As at 31 March 2025	**8,978.18**	**48,000.02**	**37,139.15**	**-77.69**	**205.22**	**94,244.88**
As at 1 April 2025	**8,978.18**	**48,000.02**	**37,139.15**	**-77.69**	**205.22**	**94,244.88**
Net income / (loss) for the year	-	-	25,889.06	-		25,889.06
Securities premium credited on Share issue	-	34,850.20	-	-		34,850.20
Issue / (conversion) of share warrants	-8,978.18	-	-	-		-8,978.18
Dividend paid	-	-	-168.14	-		-168.14
Other comprehensive income	-	-	-	-0.41	1,475.62	1,475.21
As at 31 March 2026	**-**	**82,850.22**	**62,860.07**	**-78.10**	**1,680.84**	**1,47,313.03**

Note :

a. During the financial year 2025-26, the Company has issued and allotted:

i. 13,25,000 Equity Shares having face value of ₹ 10/- each at an issue price of ₹ 183.60/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 13,25,000 Convertible Warrants.

ii. 93,00,000 Equity Shares having face value of ₹ 10/- each at an issue price of ₹ 360.00/- fully paid up upon exercising the option available with the Share Warrant Holder to convert 93,00,000 Convertible Warrants.

b. Securities premium is used to record the premium on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

c. Retained earnings represents accumulated profit and remeasurement of defined benefit obligations as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

23. BORROWINGS (AT AMORTISED COST)

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Term loan (Secured/Unsecured)		
- Term loans from banks	474.56	1,149.74
- Term loans from financial institutions	597.62	456.02
Total	**1,072.18**	**1,605.76**

23.1 Interest and repayment schedule for secured long term borrowings

(₹ in Lakhs)

Type of loan	Loan outstanding as at 31 March 2026			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non Current	Current	Total				
Term loans from bank							
ICICI Bank Limited -Business Loan	0.06	-	0.06	40.00	-	Loan fully repaid, disputed charges are shown as outstanding	Post dated cheques
Axis Bank Ltd - Car Loan	188.69	95.43	284.12	476.75	8.65 - 9.70%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underly-ing company owned vehicles.
Union Bank of India - Vehicle Loan	39.33	16.65	55.98	109.16	7.50 - 9.00%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underly-ing company owned vehicles.
Union Bank of India - Term Loan	246.48	590.50	836.98	2,920.00	7.50 - 11.00 %	Equated monthly installment for 60 months and interest to the loan account to be serviced as & when debited to the account.	-
Total (A)	**474.56**	**702.58**	**1,177.14**	**3,545.91**			

(₹ in Lakhs)

Type of loan	Loan outstanding as at 31 March 2026			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non Current	Current	Total				
Term loans from financial institutions							
Jain Sons Finlease Ltd. - Business Loan	2.34	-	2.34	40.00	-	Loan fully repaid, disputed charges are shown as outstanding	Unsecured
Shriram City Finance Ltd. - Business Loan	0.86		0.86	35.00	-	Loan fully repaid, disputed charges are shown as outstanding	Unsecured
Services Ltd. - Car Loan	0.55		0.55	50.69	-	Loan fully repaid, disputed charges are shown as outstanding	Secured against the hypothecation of underly-ing company owned vehicles.
PNB Housing Ltd. -Business Loan	406.62	43.62	450.24	650.00	12%	Equated monthly installments as per specific repayment schedule predetermined	Secured against the personal property of the director
Toyota Financial Services	187.25	61.48	248.73	269.23	8%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underly-ing company owned vehicles.
Total (B)	**597.62**	**105.10**	**702.72**	**1,044.92**			
Grand TOTAL (A+B)	**1,072.18**	**807.68**	**1,879.86**	**4,590.83**			

24. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Provision for gratuity (refer note 44)	119.95	118.54
Total	**119.95**	**118.54**

25. BORROWINGS (CURRENT, AT AMORTISED COST)

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Working capital loans from bank (secured)		
Packing Credit limit	10,791.67	1,120.00
Term loans from Bank and Financial Institutions		
Current maturity of long-term debt	807.68	865.49
Total	**11,599.35**	**1,985.49**

Working capital loans from bank (secured)

Short-term working capital loan of ₹ 10,791.67 lakhs As at March 31, 2026 and ₹ 1,120 lakhs As at March 31, 2025 secured by hypothecation of stock & book debts. The interest rates were in the ranges from 8.50% to 9.50% p.a.

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions generally are in agreement with the books of accounts with minor difference on account of provisional figures recorded while submission of statements of current assets to the bank.

26. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Trade payables		
- total outstanding dues of micro and small enterprises;	389.96	50.02
- total outstanding dues of creditors other than micro and small enterprises	5,916.96	11,750.50
Total	**6,306.92**	**11,800.52**

i. Disclosure with respect to related party transactions is given in note 46.

ii. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
The principal amount remaining unpaid to supplier as at the end of accounting year	374.31	49.78
The interest due thereon remaining unpaid to supplier as at the end of accounting year	15.65	0.24
The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	0.24	-
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	15.65	0.24
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	15.89	0.24

iii. Ageing for Trade Payables outstanding is as follows:

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on 31st March 2026				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	389.96				389.96
(ii) Others	5,916.96				5916.96
(iii) Disputed dues - MSME					0
(iv) Disputed dues - Others					0
Total	**6,306.92**	**0.00**	**0.00**	**0.00**	**6,306.92**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on 31st March 2025				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	50.02				50.02
(ii) Others	11,622.16				11,622.16
(iii) Disputed dues - MSME					0
(iv) Disputed dues – Others				128.34	128.34
Total	**11,672.18**	**0.00**	**0.00**	**128.34**	**11,800.52**

27. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Other payables	574.17	680.00
Total	**574.17**	**680.00**

28. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Advance against orders	0.26	1.67
Unpaid dividend payable	3.38	3.19
Statutory dues payable	197.84	107.27
Total	**201.48**	**112.13**

29. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Provision for gratuity (refer note 44)	29.51	24.13
Total	**29.51**	**24.13**

30. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products		
Domestic turnover	28,987.08	15,366.22
Export turnover	79,054.00	75,275.55
Total sale of products	**1,08,041.08**	**90,641.77**
Export benefits and entitlements income	2,695.61	1,719.97
Total	**1,10,736.69**	**92,361.74**

31. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on foreign currency transactions and translation	3,176.46	1,409.55
Interest received	113.55	247.83
Other income	1.96	56.92
Total	**3,291.97**	**1,714.30**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Work in Progress - Opening	541.55	2,360.28
Work in Progress - Closing	4,294.25	541.55
	-3,752.70	**1,818.73**

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finished Goods (Mfg.) - Opening	8,282.08	5,952.81
Finished Goods (Mfg.) - Closing	9,401.71	8,282.08
	-1,119.63	**-2,329.27**
Total changes in inventories	**-4,872.33**	**-510.54**

33. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	2,868.05	1,901.57
Contribution to provident and other funds	37.42	55.98
Director remuneration	413.40	219.65
Gratuity expense (refer note 44)	7.85	27.46
Staff welfare expenses	192.10	147.71
Total	**3,518.82**	**2,352.37**

34. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (Refer Note -6)	572.31	233.26
Amortisation of intangible assets (Refer Note -9)	2.19	0.92
Depreciation of right to use assets (Refer Note -7)	421.13	100.89
Total	**995.63**	**335.07**

35. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on borrowings	858.01	667.81
Interest expense on lease liabilities	226.43	37.87
Other borrowing costs	100.08	13.33
Other financial charges	460.96	376.69
Total	**1,645.48**	**1,095.70**

36. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Repairs and maintenance	10.77	239.62
Rent	845.01	493.12
Rates and taxes	590.17	169.90
Insurance	34.73	24.29
Legal and professional fees	256.64	267.52
Travelling & conveyance expenses	524.75	644.18
Audit fees	21.59	17.11
Security charges	108.09	72.37
Commission	110.22	-
Electricity Charges Office	51.94	20.30

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Freight forwarding and distribution expenses	732.43	785.40
Forward Contract Gain/Loss & Foreign exchange Fluctuation Loss	-	6.05
Advertisement and sales promotion expenses	1,151.22	2,068.64
Miscellaneous expenses	56.28	52.47
CSR expenses	102.08	196.39
Donation	1.89	11.09
Postage and telephone	9.97	13.80
Printing and stationery	1.43	17.93
Provision for doubtful debts	-219.99	-479.88
Balances written off	1,918.71	13.96
Total	**6,307.93**	**4,634.26**

Note:

A) Auditor's remuneration (excluding taxes):

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory audit fees including limited review	13.93	12.75
Tax audit fees	2.00	1.35
Other services	5.66	3.01
Total	**21.59**	**17.11**

37. INCOME TAX

Indian companies are subject to Indian income tax. For each financial year, the entity profit and loss is subject to the regular income tax payable.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 22% plus a surcharge of 10% and Health and Education Cess @ 4%.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current Tax	4,586.81	4,348.56
Deferred tax liabilities/assets (Net)	-38.26	210.07
(Excess) / short provision of tax of earlier years	167.03	450.09
Total tax expense	**4,715.58**	**5,008.72**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognized income tax expense for the year indicated are as follows:

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	30,604.64	25,394.26
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory rate	7,703.19	6,391.74
Effect of different tax rates of subsidiary operating in other jurisdictions	-2,660.04	-1,752.48
Tax effect of amounts which are deductible / not deductible in calculating taxable income	(456.34)	-290.70
Income tax expense in the consolidated statement of profit and loss	**4,586.81**	**4,348.56**

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligations	-0.55	-6.34
Tax relating to items that will not be reclassified to profit or loss	0.14	1.59
	-0.41	**-4.75**
Items that will be reclassified to profit or loss		
Exchange differences on translation of financial statements of foreign operations	1,475.62	187.20
Tax relating to items that will not be reclassified to profit or loss	-	-
	1,475.62	**187.20**
Total	**1,475.21**	**182.45**

39. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	2025-26	2024-25
Face Value of Equity Share	₹ 10	₹ 10
Profit after tax attributable to equity shareholders (₹ in Lakh) (A)	**27,364.27**	**20,567.99**
Weighted average number of equity shares for basic EPS (B)	**11,45,11,325**	**10,68,80,188**
Effect of dilution:		
Total weighted average potential equity shares	0	50,09,253
Weighted average number of equity shares adjusted for the effect of dilution (C)	**11,45,11,325**	**11,18,89,441**
Basic EPS (Amount in ₹) (A/B)	23.90	19.24
Diluted EPS (Amount in ₹) (A/C)	23.90	18.38

40. RESEARCH AND DEVELOPMENT ACTIVITIES

Details of expenditure incurred in respect of research and development activities undertaken during the year is as follows

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue expenditure charged to profit and loss account	231.45	139.90

41. SEGMENT REPORTING

The Company is in the business of manufacturing of steel forging products having similar economic characteristics. The company and its Chief Operating Decision Maker (CODM) reviews steel forging business as the only segment and takes decision based on the demand and supply in forging business. Thus, as per Ind AS 108, the business activities fall within a single primary segment i.e. manufacturing and selling Steel Forging Products.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

a) Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Domestic	28,987.08	15,366.22
Export (include expert benefits and entitlements)	81,749.61	76,995.52
Total	**1,10,736.69**	**92,361.74**

b) Non-current assets

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
India	81,566.05	59,527.51
Outside India	823.77	482.41
Total	**82,389.82**	**60,009.92**

42. EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Gross amount required to be spent by the company during the year	155.58	86.38
Amount required to be set off for the financial year, if any	(13.01)	(12.99)
Net amount required to be spent by the company during the year	142.57	73.39
Amount of expenditure incurred	156.50	86.40
Shortfall / (Excess) at the end of the year	(13.93)	(13.01)
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting Education, Empowering women and protection of flora and fauna	Promoting Education, Empowering women
Details of related party transactions in relation to CSR expenditure as per relevant	NA	NA

The Company has spent the entire CSR obligation for the year, with actual expenditure exceeding the prescribed amount. Accordingly, there is no unspent CSR amount and the provisions of Section 135(6) of the Companies Act, 2013 are not applicable.

43. DISCLOSURE AS PER IND AS 107

a) Fair Value Measurement

i. Categories and hierarchy of financial instruments

The carrying values of the financial instruments by categories were as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets Measured at amortised cost						
Trade receivables	-	-	42,510.20	-	-	32,726.73
Cash and cash equivalents	-	-	8,566.01	-	-	9,307.85
Bank balances other than cash and cash equivalents	-	-	333.85	-	-	313.56
Other financial assets	-	-	1,503.75	-	-	737.17
Total financial assets at amortised cost	**-**	**-**	**52,913.81**	**-**	**-**	**43,085.31**
Financial liabilities Measured at amortised cost						
Borrowings	-	-				
Long term Borrowings	-	-	1,072.18	-	-	1,605.76
Short term Borrowings	-	-	11,599.35	-	-	1,985.49
Trade payables	-	-	6,306.92	-	-	11,801.02
Other financial liabilities	-	-	3,089.58	-	-	1,067.17
Total financial liabilities carried at amortised cost	**-**	**-**	**22,068.03**	**-**	**-**	**16,459.44**

FVPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
	Carrying cost	Amortised Cost	Carrying cost	Amortised Cost
Non-current financial assets				
Other Financial Assets	189.15	189.15	55.65	55.65
Non current financial liabilities				
Borrowings	1072.18	1072.18	1605.76	1605.76
Lease liabilities	2024.96	2024.96	0.55	0.55

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

The fair value of non current borrowings is considered to be equal to the carrying amount as the same is at variable rate of interest

b) Financial risk management

Market risk is the potential loss of earnings, fair values, or cash flows due to changes in interest rates, foreign exchange rates, equity prices, or other market variables affecting financial instruments. The Groups principal financial liabilities comprise borrowings, lease obligations, and trade payables, while its financial assets mainly include receivables, cash, and deposits. Key risks arising from these instruments are foreign currency risk, interest rate risk, credit risk, and liquidity risk. The Board of Directors reviews and approves policies for managing these risks. The Corporate Treasury function facilitates access to financial markets and oversees risk management in line with approved policies. The Group does not enter into derivatives for speculative purposes.

1) Market risk

The Group is primarily exposed to risks arising from fluctuations in foreign currency exchange rates, interest rates, and commodity prices. These risks are managed through prudent financial management, operational efficiencies, and continuous monitoring rather than through the use of derivative or forward contracts

To address such exposures, the Group has established Risk Management Policies approved by the Board of Directors, providing a structured framework for identifying, assessing, and mitigating risks. The Treasury Department tracks foreign exchange exposures and commodity price movements, prepares periodic reports, and submits them to the Risk Management Committee. These reports are subsequently placed before the Audit Committee to ensure oversight, compliance, and effective implementation of the approved framework.

The Group does not trade in financial instruments for speculative purposes.

a) Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets. The Company is exposed to exchange rate risk under its trade portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in decrease in the Company's overall receivables in Rupee terms and favourable movements in the exchange rates will conversely result in increase in the Company's receivables in Rupee terms.

Going by the past trends and future prospects in respect of movement in exchange rate between the Rupee and any relevant foreign currency, the Board expects that there will be favourable movements in the exchange rate and accordingly the management has decided not to hedge the foreign currency through any forward exchange contract. Therefore, receivables aggregating to ₹ 39252.19 lakhs outstanding As at 31 March 2026 represents as unhedged position.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Foreign Currency exposure as at 31 March 2026

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Financial assets				
Trade receivables	19,450.75	672.80	19,128.64	39,252.19
Other financial assets	17,145.74		174.01	17,319.75
Total financial assets (A)	**36,596.49**	**672.80**	**19,302.65**	**56,571.94**
Financial liabilities				
Trade payables	341.60		1,067.14	1,408.74
Other financial liabilities				-
Total financial liabilities (B)	**341.60**	**-**	**1,067.14**	**1,408.74**
Net Exposure (A-B)	**36,254.89**	**672.80**	**18,235.51**	**55,163.20**

Foreign Currency exposure as at 31 March 2025

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Financial assets				
Trade receivables	20,838.21	682.81	11,817.19	33,338.21
Other financial assets	4,840.92		-	4,840.92
Total financial assets (A)	**25,679.13**	**682.81**	**11,817.19**	**38,179.13**
Financial liabilities				
Trade payables	-	-	2,029.29	2,029.29
Other financial liabilities	-	-	-	-
Total financial liabilities (B)	**-**	**-**	**2,029.29**	**2,029.29**
Net Exposure (A-B)	**25,679.13**	**682.81**	**9,787.90**	**36,149.84**

*unhedged currency position

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Particulars	Increase (strengthening of INR)		Decrease (weakening of INR)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Receivable				
USD/INR	-365.96	-256.79	365.96	256.79
EUR/INR	-6.73	-6.83	6.73	6.83
AED/INR	-193.03	-118.17	193.03	118.17
Payable				
USD/INR	3.42	-	-3.42	-
AED/INR	10.67	20.29	-10.67	-20.29

b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Fixed rate borrowings	1,084.29	1,416.85
Floating rate borrowings	11,587.24	2,174.40
Total borrowings	**12,671.53**	**3,591.25**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2026 would decrease / increase by ₹ 115.87 Lakhs (for the year ended 31 March 2025: decrease / increase by ₹ 21.74 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

c) Commodity Price Risk

The Company is primarily exposed to fluctuations in the prices of steel and alloy steels, which are the key raw materials for manufacturing crankshafts. Most contracts with Indian customers are based on mutually agreed price mechanisms, which partially offset the impact of raw material price volatility. However, in the case of firm price orders, any sharp movement in commodity prices may impact profitability.

The Company manages this risk through long-term supplier relationships, bulk procurement strategies, and continuous monitoring of price trends. Risk management policies approved by the Board of Directors provide a structured framework for addressing commodity price exposures. The Company does not enter into commodity derivative contracts and relies on operational measures to mitigate such risks.

2) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash & cash equivalents.

Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Cash and cash equivalents

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. The Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit- ratings assigned by credit-rating agencies.

In addition, the Company is not exposed to credit risk in relation to financial guarantees given to banks and other counterparties.

3. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long- term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non- derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure As at 31 March 2026

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
Financial assets				
Trade receivables	42,510.20			42,510.20
Cash and cash equivalents	8,566.01			8,566.01
Bank balances other than cash and cash equivalents	333.85			333.85
Loans	189.31			189.31
Other financial assets	1,314.44			1,314.44
Total financial assets	**52,913.81**		**-**	**52,913.81**
Financial liabilities				
Long term borrowings	807.68	1,072.18		1,879.86
Short term borrowings	10,791.67			10,791.67
Trade payables	6,306.92			6,306.92
Other financial liabilities	1,064.62	2,024.96		3,089.58
Total financial liabilities	**18,970.89**	**3,097.14**	**-**	**18,970.89**

Liquidity exposure as at 31 March 2025

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
Financial assets				
Trade receivables	32,726.73			32,726.73
Cash and cash equivalents	9,307.85			9,307.85
Bank balances other than cash and cash equivalents	313.56			313.56
Loans	15.36			15.36
Other financial assets	666.16	55.65		721.81
Total financial assets	**43,029.66**	**55.65**	**-**	**43,085.31**
Financial liabilities				
Long term borrowings	865.49	1,605.76		2,471.25
Short term borrowings	1,120.00			1,120.00
Trade payables	11,801.02			11,801.02
Other financial liabilities	1,066.62	0.55		1,067.17
Total financial liabilities	**14,853.13**	**1,606.31**	**-**	**16,459.44**

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered (Refer note 23 and 25).

4) Capital Risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion and repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the equity capital by way of preferential allotment. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

(₹ in Lakhs)

	As at 31 March 2026	As at 31 March 2025
Long term borrowings	1,072.18	1,605.76
Current maturities of long term debt and finance lease obligations	807.68	865.49
Short term borrowings	10,791.67	1,120.00
Less: Cash and cash equivalent	8,566.01	9,307.85
Less: Bank balances other than cash and cash equivalents	333.85	313.56
Less: Current investments	-	-
Net debt	**3,771.67**	**(6,030.16)**
Total equity	**1,59,452.22**	**1,05,321.57**
Gearing ratio	**0.02**	**(0.06)**

i. Equity includes all capital and reserves of the Company that are managed as capital.

ii. Debt is defined as long and short term borrowings, as described in Notes 23 and 25.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

44. EMPLOYEE BENEFIT OBLIGATIONS

a. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund recognised in statement of profit and loss of ₹23.93 Lakhs (31 March 2025: ₹22.61) (included in note 33).

b. Defined benefit plans

The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, all employees are entitled to Gratuity Benefits on exit from service due to retirement, resignation or death at the rate of 15 days' salary for each year of service with payment ceiling of ₹20 lakhs. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at 31 March 2026 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

i. Reconciliation of Opening and Closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	2025
Defined Benefit obligation at beginning of year	**142.68**	**108.88**
Current Service Cost	21.77	19.03
Past Service Cost	-25.78	0.00
Interest Cost	10.25	8.43
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-5.91	0.00
- Due to Change in Financial Assumptions	0.00	3.81
- Due to Experience	6.46	2.53
Benefits paid	0.00	0.00
Defined Benefit obligation at year end	149.46	142.68

ii. Expenses recognised in statement of profit and loss account

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	2025
Current Service Cost	**21.77**	**19.03**
Past Service Cost	-25.78	0.00
Net Interest Cost	10.25	8.43
Component of defined benefit cost recognised in statement of profit and loss	**6.23**	**27.46**
Remeasurement of net defined benefit liability		
Actuarial (gain)/loss on defined benefit obligation	0.55	6.33
Component of defined benefit cost recognised in other comprehensive income	**0.55**	**6.33**

iii. Actuarial assumptions

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	2025
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate (p.a.)	7.25%	6.85%
Attrition Rate	1% to 5%	1% to 5%
Retirement age	58.00	58.00
Rate of escalation in salary (p.a.)	6.00%	6.00%

iv. The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2026	2025
Present value of obligation	149.46	142.68
Net liability / (asset) arising from defined benefit obligation	**149.46**	**142.68**

v. Sensitivity Analysis – Gratuity

(₹ in Lakhs)

Particulars	2025-26	2024-25
Projected Benefit Obligation on Current Assumptions	149.46	142.68
Discount Rate - 1 percent increase	139.14	131.93
Discount Rate - 1 percent decrease	161.43	155.24
Salary Escalation Rate - 1 percent increase	161.46	155.21
Salary Escalation Rate - 1 percent decrease	138.93	131.77
Withdrawal Rate - 1 percent increase	150.47	143.33
Withdrawal Rate - 1 percent decrease	148.33	141.95

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

vi. Maturity analysis of projected benefit obligation

(₹ in Lakhs)

Particulars	Less than a year	Between 1 to 5 years	Between 6 to 10 years	Total
As at 31 March 2026				
Projected benefit payable	29.51	49.38	54.11	**133.00**
As at 31 March 2025				
Projected benefit payable	24.13	41.38	60.90	**126.41**

45. CONTINGENT LIABILITIES AND LEGAL CASES

(₹ in Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Bank guarantee	NIL	NIL

During the year/during the period under audit, the Income Tax Department conducted a search and seizure action under Section 132 of the Income Tax Act, 1961, at the business premises / residential premises of the Company & its whole time directors & CFO on 7 January 2026, covering the financial year(s) FY 2020-21 to FY 2025-26.

As on the date of approval of these financial statements, the assessment/reassessment proceedings arising out of the said search are pending before the Income Tax authorities, and no final order has been passed. Consequently, the Company is unable to ascertain the exact financial impact, if any, that may arise on completion of such proceedings.

Based on the assessment made by the management and the opinion of its tax advisors, no material adjustment is considered necessary in the books of account for the year under review, in respect of the aforesaid search action. However, in the event any tax liability, interest, or penalty is levied pursuant to the completion of assessment proceedings, the same will be accounted for/ disclosed in the year in which such demand is finalized/crystallized

Capital Commitments

Estimated amount of contract remaining to be executed on capital account, net of advances is ₹ 20,071.81 lakhs (Previous year ₹ 5,499.92 lakhs).

46. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

a) List of Related Parties

Key Management Personnel (KMP)

Mr. JaspalSingh Chandock – Chairman and Managing Director

Mr. Trimaan Chandock – Whole Time Director

Mr. Jaikaran Chandock – Whole Time Director

Mr. Raghvendra Raj Mehta – Independent Director (Ceases to be Independent Director from 06.05.2026)

Mr. Radhey Shyam Soni - Independent Director

Ms. Shalu Bhandari - Independent Director

Mr. Rooplal Meena - Independent Director

Mr. Amit Todkari - Chief Financial Officer (Ceases to be Chief Financial Officer from 25.05.2026)

Tabassum Begum – Company Secretary

Relative of Key Management Personnel (KMP)

Mrs. Nivjeet Chandock – Wife of JaspalSingh Chandock

Mrs. Mukta Chandock – Wife of Jaikaran Chandock

Entities where control / significant influence by KMPs and their relatives exists and with whom transaction have taken place.

Hotel Imperial Palace (I)

Swan Balu Heavy Industries Limited

b) Details of transactions with related parties

(₹ in Lakhs)

Name of related party/Nature of Transaction	2025-26	2024-25
Director's Remuneration		
Mr. Jaspalsingh Chandock	220.00	116
Mr. Trimaan Chandock	88.00	45.5
Mr. Jaikaran Chandock	88.00	45.5
Salary paid		
Amit Todkari	18.35	16.39
Tabassum Begum	11.79	10.47
Director Sitting fees		
Raghvendra Raj Mehta	4.65	4.35
Shalu Bhandari	4.45	4.15
Radhey Shyam Soni	4.45	4.15
Rooplal Meena	3.85	-
Loan Taken		
Jaspalsingh Chandock	2,393.28	1910
Loan Repaid to parties		
Jaspalsingh Chandock	2,393.28	1924.13
Interest paid to parties		
Jaspalsingh Chandock	37.85	15.7
Rent paid to parties		
Hotel Imperial Palace (I)	126.68	96.8
Reimbursement of expenses		
Jaspal Singh Chandock (Expenses on behalf of Party)	-	-
Jaspal Singh Chandock (Expenses on behalf of Balu Forge Ind. Ltd)	2.24	17.74
Hotel Imperial Palace (I) (Expenses on behalf of Party)	-	2.38
Jaikaran Chandock (Expenses on behalf of Party)	25.59	2.53
Jaikaran Chandock (Expenses on behalf of Balu Forge Ind. Ltd)	-	-
Trimaan Chandock (Expenses on behalf of Party)	23.78	4.15

(₹ in Lakhs)

Name of related party/Nature of Transaction	2025-26	2024-25
Outstanding balance at the end of the year		
Amit Todkari	1.41	1.28
Tabassum Begum	0.91	0.83
Mr. Jaspalsingh Chandock - Advance Salary	120	-
Mr. Trimaan Chandock - Advance Salary	48	-
Mr. Jaikaran Chandock – Advance Salary	24	-

46. ADDITIONAL REGULATORY INFORMATION

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

a) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

c) The Company has a Working Capital limit of ₹ 10,100 Lakhs from Union Bank of India, comprising of Fund-based limits of ₹ 7,600 Lakhs and non-fund-based limits of ₹ 2,500 Lakhs. and 7,500 Lakhs from Axis Bank comprising of Fund-based and non fund based limits. Also as at 31st March 2026 company has temporary adhoc working capital facility of ₹1500 Lakhs from union bank of India. For the said facility, the Company has submitted Stock and debtors statement to the bank on monthly basis as also the Quarterly Information Statements. The average difference is not material and is less than 1% of amount of stock and debtors, which is on account of valuation, provisions, etc.

d) The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

e) The Company does not have any transactions with struck-off companies.

f) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period except in case of one lender where outstanding balance as on 31 March 2026, is H29.08 lakhs, charge is pending on account of certain procedural formalities.

g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

h) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

j) The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

47. Previous period figures have been regrouped / recast / reclassified wherever necessary.

48. The Company has approved its financial statements in its board meeting dated May 30, 2026.

Signatures to Notes 1 to 49 which form an integral part of financial statements.

As per our report of even date

For **M. B. Agrawal & Co.**
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
M. B. Agrawal
Partner
Membership No.: 009045

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Mumbai, May 30, 2026

Sd/-
Sandeep Singh Chadha
Chief Financial Officer

Sd/-
Tabassum Begum
Company Secretary
& Compliance Officer

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 37TH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF BALU FORGE INDUSTRIES LIMITED ("THE COMPANY") WILL BE HELD ON WEDNESDAY, 30TH SEPTEMBER, 2026, AT 12:30 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2026 together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2026 together with the Reports of the Auditors thereon.

2. **Declaration of dividend for the Financial Year ended 31st March, 2026.**

   To declare a Final Dividend at the rate of 1.5% i.e. ₹ 0.15 per equity share of face value ₹ 10/- (Rupees Ten Only) each fully paid-up for the Financial Year ended 31st March, 2026.

3. **Retirement by Rotation:**

   To re-appoint Mr. Trimaan Jaspalsingh Chandock (DIN: 02853445), who retires by rotation as a Director and being eligible, offers himself for re-appointment:

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, Mr. Trimaan Jaspalsingh Chandock (DIN: 02853445), who retires by rotation as a Director at this AGM, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. **Ratification of Remuneration of Cost Auditors of the Company:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and other applicable rules, (including any statutory modification(s), amendments(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. S K Agarwal & Associates, Cost and Management Consultants, (Firm Registration No.: 100322), who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March, 2027, amounting to ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified and confirmed."

   "**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company, (including its committees thereof), to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board
For **Balu Forge Industries Limited**

Sd/-
Jaspalsingh Chandock
Managing Director
DIN No.: 00813218

Place: Mumbai
Date: September 07, 2026

Registered Office:
506, 5th Floor, Imperial palace,
45 Telly Park Road, Andheri (East),
Mumbai, 400069, Maharashtra, India

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 4 of the accompanying Notice, is annexed hereto and forms part of this Notice.

2. Statement giving details of the Director seeking appointment/re-appointment is annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India.

3. Ministry of Corporate Affairs ("MCA") vide its General Circular No. 03/2025 dated 22nd September 2025 read with circulars issued earlier on the subject ("MCA Circulars") and the Securities Exchange Board of India ("SEBI") vide its Circular(s) dated 12th May 2020, 15th January 2021, 13th May 2022, 5th January 2023, 7th October 2023 and 3rd October 2024 ("SEBI Circulars"), have permitted to conduct the AGM virtually, without physical presence of Members at a common venue.

   In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 37th AGM of the Company is being held through VC/OAVM on Wednesday, 30th September, 2026 at 12:30 p.m. (IST). The proceedings of the AGM will be conducted at the Registered Office of the Company at 506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East), Mumbai – 400069, which shall be the deemed venue of the AGM.

   In terms of Listing Regulations, relevant MCA Circulars and the SEBI Circulars, the AGM Notice along with the Annual Report for FY2025-26 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may kindly note that the Notice convening this AGM and Annual Report for FY2025-26 will also be available on the Company's website www.baluindustries.com, website of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com, respectively and on the website of National Securities Depository Limited (NSDL) at https://www.evoting.nsdl.com. The Company will also publish an advertisement in the newspapers containing details of the AGM and other relevant information for Members viz. manner of registering e-mail Id., Cut-off date for e-voting, Record Date for payment of dividend, etc.

4. Since this AGM is held through Video Conference/Other Audio Visual Means ("VC/OAVM"), route map to the venue is not required and therefore, the same is not annexed to this Notice.

5. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares as on **Wednesday, September 23, 2026 ("Cut-off date")** may join the AGM anytime 30 minutes before the scheduled time by following the procedure outlined in the Notice. A person who is a Member as on the Cut-off date shall be eligible to attend and vote on resolutions proposed at the AGM. Any person who is not a Member as on the Cut-off date shall treat this Notice for informational purpose only.

6. Attendance through VC/OAVM is restricted and hence, Members shall be eligible to join the meeting on first come-first-serve basis. However, attendance of Members holding more than 2% of the paid-up equity share capital, Institutional investors, Directors, Key Managerial Personnel, and Auditors will not be restricted on first-come-first serve basis.

7. **Appointment of Proxy and Attendance Slip:**

   Since the 37th AGM is being held through VC/OAVM in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxy would not be available to the Members for attending the 37th AGM, and therefore, proxy form and attendance slip are not annexed to this Notice.

   However, in pursuance of Section 113 of the Companies Act, 2013, the Body Corporate member/ institutional members are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate and cast their votes through e-voting. Accordingly, Institutional /Corporate Members are requested to send a scanned copy (PDF/ JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at compliance@baluindustries.com

   The Company has appointed **Mr. Jaymin Modi, Practicing Company Secretaries** (Membership No. 44248 and Certificate of Practice No. 16948) as the Scrutinizer for scrutinizing the remote e-voting process as well as e-voting at the AGM in a fair and transparent manner.

8. **Record Date:**

   Members may kindly note that **Friday, September 18, 2026** has been fixed as the "Record Date" to determine entitlement of Members to the Final Dividend for the Financial Year 2025-26, if approved at the AGM.

9. **Dividend:**

   i. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of Members w.e.f. April 1, 2020. Accordingly, the Final Dividend, as recommended by the Board of Directors, and if approved at the 37th AGM, shall be paid after deducting tax at source ('TDS') at the prescribed rates in accordance with the provisions of the Income Tax Act, 2025, within statutory time limit to those members:

      - whose names appear in the Register of Members of the Company after giving effect to all valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, September 18, 2026; and

- whose names appear as beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), as of the close of business hours on Friday, September 18, 2026.

- For information on TDS and the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and the amendments thereof. In order to enable the Company to determine the appropriate TDS rate as applicable, members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 2025.

10. Mandatory updation of PAN, KYC, Nomination and Bank details by Members:

Members holding shares in physical form

a. Members holding shares in physical form are requested to note that in terms of Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and in order to eliminate risks associated with physical transfer of securities, shareholders holding equity shares of the Company in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's Registrar and Share Transfer Agent ('RTA') i.e. Skyline Financial Services Pvt. Ltd. for assistance in this regard.

b. SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, has mandated that with effect from April 1, 2024, dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), Bank Account details & Specimen Signature ("KYC").

c. Members holding shares in physical form are requested to furnish Form ISR-1, Form ISR-2 and SH13 to update KYC and choice of Nomination (in case the same are not already updated), to Skyline Financial Services Pvt. Ltd., the Company's Registrar and Share Transfer Agent. Alternatively, Members may send digitally signed copy of their documents by email to Skyline Financial Services Pvt. Ltd. at mumbai@skylinerta.com.

d. Members holding shares in demat mode are requested to update their details with their Depository Participants at the earliest.

e. Members may further note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated listed companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate, claim from unclaimed suspense account, splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available https://www.baluindustries.com/. It may be noted that any service request can be processed only after the folio is KYC compliant.

   Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialization and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

   In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents at the below mentioned link http://www.skylinerta.com/EmailReg.php.

11. Unclaimed Dividend & Transfer to IEPF:

As per Sections 124 and 125 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, dividends which remain unpaid or unclaimed by the shareholder for a period of 7 (seven) years shall be transferred to the Investor Education and Protection Fund (IEPF). Further, the said provisions mandate companies to transfer the shares of shareholders whose dividends remain unpaid or unclaimed for a period of 7 (seven) consecutive years, to the demat account of IEPF Authority.

Details of unclaimed dividend, are available on the Company's website https://www.baluindustries.com/. In compliance with Section 124 of the Act and Rules made thereunder, unclaimed dividend and equity shares in respect whereof dividend remains unclaimed for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ("IEPF").

12. E-voting:

- Electronic/digital copy of the Annual Report for the Financial Year 2026 and Notice convening the 37th AGM are being sent to all Members whose e-mail Id are registered with the RTA/ Company/Depositories. Members who have not registered their e-mail Id may get the same registered by following the instructions mentioned above.

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting during the AGM will be provided by NSDL.

- Necessary arrangements have been made by the Company to facilitate 'Remote e-voting' as well as e-voting during the aforementioned AGM. Members shall have the option to vote either through remote e-voting (during the remote e-voting window) or e-voting during the AGM.

- Voting rights of Members shall be reckoned on the paid-up value of equity shares registered in their name as on the Cut-off date.

- Members whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.

- The procedure for e-voting on the day of the AGM is identical to Remote e-voting instructions as outlined in this Notice.

- Any person who becomes a Member of the Company after dispatch of the Notice and holds equity shares as on the Cut-off date can vote by following the procedure for e-voting, as outlined in the Notice.

- Members present at the 37th AGM and who have not cast their vote on resolutions set out in the Notice convening the AGM through remote e-voting and who are not otherwise barred from doing so, shall be allowed to cast their vote through e-voting facility during the AGM.

- However, Members who have exercised their right to vote during the Remote e-voting period may attend the AGM but shall not be entitled to cast their vote again.

- Once the vote on a resolution is cast, Member shall not be allowed to change the same subsequently or cast vote again.

- Members can opt for only one mode of voting i.e. either through Remote e-voting or e-voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail.

- In case of joint holders attending the 37th AGM, only such joint holder who is higher in the order of names as per the Company's records, will be entitled to cast vote.

PROCEDURE FOR REMOTE E-VOTING:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period **begins on Saturday, September 26, 2026 at 09:00 A.M. and ends on Tuesday, September 29, 2026 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 23, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date, being Wednesday, September 23, 2026.**

How do I vote electronically using NSDL e-Voting system?

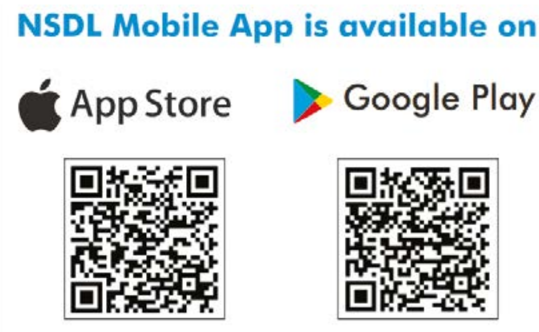
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@csjmco.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com

or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Apeksha Gojamgunde at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@baluindustries.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@baluindustries.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

1. The instructions for members for e-voting on the day of the AGM are as under:

i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

2. Instructions for members for attending the AGM through VC/OAVM are as under:

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably

The Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send request from their registered e-mail address mentioning their name, demat account number / folio number, e-mail id, mobile number at compliance@baluindustries.com by Wednesday, 23rd September, 2026. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

13. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to compliance@baluindustries.com.

14. The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Saturday, September 19, 2026 to Wednesday, September 30, 2026 (both days inclusive).

15. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

16. After conclusion of the meeting, the Scrutinizer will submit the report on votes cast in favor or against and invalid votes, if any, to the Chairman or any other person authorized by him, who shall countersign the same, and the result of the voting will be declared within the time stipulated under the applicable laws.

17. The voting results along with the Scrutinizer's report, shall be hosted on the website of the Company https://www.baluindustries.com/shareholdersinformation.php and will be simultaneously forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

EXPLANATORY STATEMENT

Statement Pursuant to Section 102 (1) of the Companies Act, 2013 (“Act”)

The following explanatory statement sets out material facts relating to the special business set out in the accompanying Notice of Annual General Meeting (“AGM”):

Item no. 4

Ratification of remuneration payable to the Cost Auditors of the Company. (Ordinary Resolution)

The Board of Directors of the Company at their meeting held on 7th September, 2026, based on the recommendation of the Audit Committee, appointed M/s. S K Agarwal & Associates, Cost and Management Consultants (Firm Registration No. 100322), as the Cost Auditors of the Company for conducting the audit of the cost records maintained by the Company for the financial year ending 31st March, 2027, at a remuneration ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit. The overall remuneration proposed to be paid to the Cost Auditors for the financial year ended 31st March, 2027 is commensurate to the scope of the audit to be carried out by the Cost Auditors. M/s. S K Agarwal & Associates, were also the Cost Auditor of the Company for the FY 2025-26.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditor for financial year ending on 31st March, 2027 by passing an Ordinary Resolution as set out at Item No. 4 of this Notice.

None of the Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of this Notice for ratification by the members.

By Order of the Board
For **Balu Forge Industries Limited**

Sd/-
Jaspalsingh Chandock
Managing Director
DIN No.: 00813218

Place: Mumbai
Date: September 07, 2026

Registered Office:
506, 5th Floor, Imperial palace,
45 Telly Park Road, Andheri (East),
Mumbai, 400069, Maharashtra, India

Annexure-1

Details regarding Directors being appointed/re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause no 1.2.5 of the Secretarial Standards on General Meetings (SS2) issued by the ICSI

Name of Director	Mr. Trimaan Jaspalsingh Chandock
Date of Birth and age	9th November 1990, 36 years
Nationality	Indian
Date of Appointment & designation	19th November, 2020, Whole-time Director
Terms and Conditions of appointment / reappointment including remuneration, if any	Liable to retire by rotation.
Remuneration/ Variation in Remuneration/ details of remuneration last drawn.	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.
No. of Board meetings attended during the financial year (2025-26)	6
Qualification	BSc & MSc
Expertise in specific field and Experience	17 Years in Manufacturing & Hospitality
Name of other Companies in which he holds Directorship*	1. Balu Hospitality Limited 2. Quantum Energetics Private Limited (formerly known as Naya Energy Works Private Limited) 3. Balu Advanced Technologies & Systems Private Limited
Name of Listed Companies in which he holds Directorship	Nil
Names of listed entities from which the person has resigned in the past three years	Nil
Name of other companies in which he holds Chairmanship/ Membership of Committees of Board$	Nil
No. of Shares held in Balu Forge Industries Ltd	25,75,900
Inter-se relationship with other Directors and Key Managerial Personnel	Mr. Trimaan Chandock is the son of Mr. Jaspalsingh Chandock and sibling of Mr. Jaikaran Chandock.

Note: *excludes directorships held in private limited companies which are not subsidiaries or holding companies of public limited companies, unlimited companies, foreign companies and Companies formed under Section 8 of the Companies Act, 2013.

$ includes Chairmanship/ membership of the Audit Committee and Stakeholders Relationship Committee of only public limited companies, whether listed or not.

Notes

BALU® FORGE

PRECISION AT SCALE

Registered Office

5th Floor, Imperial Palace, 45 Telly Park Road,

Andheri (East), Mumbai - 400 069

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www.baluindustries.com

CIN: L29100MH1989PLC255933

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