

Date: 30th July, 2024

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

Sub: - Earnings Release for the Quarter ended 30th June, 2024

Dear Sir/Madam,

Please find enclosed herewith the Earnings Release for the Quarter ended 30th June, 2024.

Kindly take the same on your record and acknowledge.

Thanking You,
Yours Truly,

For Balu Forge Industries Limited
JASPALSINGH
PREHLADSINGH
CHANDOCK

Digitally signed by JASPALSINGH
PREHLADSINGH CHANDOCK
Date: 2024.07.30 14:50:55 +05'30'

Jaspalsingh Chandock
Managing Director
DIN: - 00813218





SHARE HOLDERS' LETTER & RESULTS

Q1 FY25 | July 30, 2024

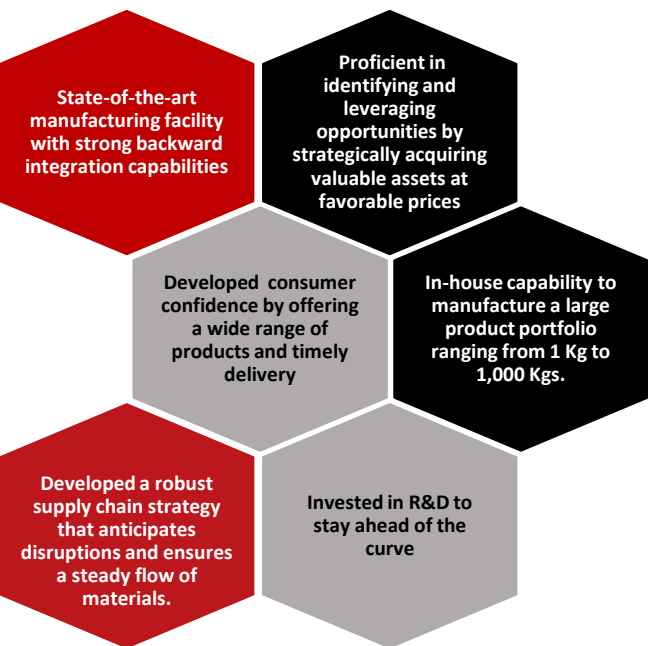
**In This Report,
We Cover**

- 1. About BFIL**
- 2. Our Core Strengths & Capabilities**
- 3. Key Performance Indicators**
- 4. Progress on strategic vision**
- 5. Consolidated Financial Statements**
- 6. Management Commentary**
- 7. Disclaimer and Contact details**

About Balu Forge Industries Ltd (“BFIL” or the “Company”):

- BFIL is a 35 year old Company with prominent presence in specialized engineering solutions and production of precision machined components.
- BFIL’s currently operates through 3 state of the art plants spanning across 8 acres. The Company is now developing a **cutting edge integrated forging and machining complex with a planned area spanning over 46 acres in Belgaum, Karnataka.**
- It has an existing capacity of 18,000 TPA of forged/machined components. BFIL had further acquired specialized assets with an installed capacity of 14,000 TPA which will be installed and commercialized by Q2FY25 increasing the **total production capacity of precision engineered components to ~32,000 TPA.**
- In addition to the machining capability, the Company is now undertaking major expansion by setting up an advanced forging capacity comprising of a **16 Ton closed-die forging hydraulic hammer, ranking amongst the largest in the country and capable of producing forgings up upto 1 ton in weight. This capacity will be further enhanced with a 10 Ton closed-die forging hydraulic hammer line and 8,000T capacity mechanical forging press capable of producing 72,000 Tons of forged components.** This setup will be fully automated with latest technology like **Antivibration System & automation with Robotic Handling** which complies with **industry 4.0 model for best in class manufacturing practises.**
- BFIL’s comprehensive product range has multifaceted applications and caters to customers across industries such as **automobiles, industrial vehicles, earthmoving machinery, wind energy, aerospace, defence, oil and gas, locomotives & railway application, marine, agriculture and others.**
- BFIL boasts of an extensive export and distribution network spanning over **80+ countries and catering over 25 OEMs worldwide.**
- BFIL has a well-equipped **R&D team comprising of ~45 professionals** who are working towards **new product developments & application of new alloys/material chemistries in niche segments.**

BFIL’s Core Strength and Capabilities

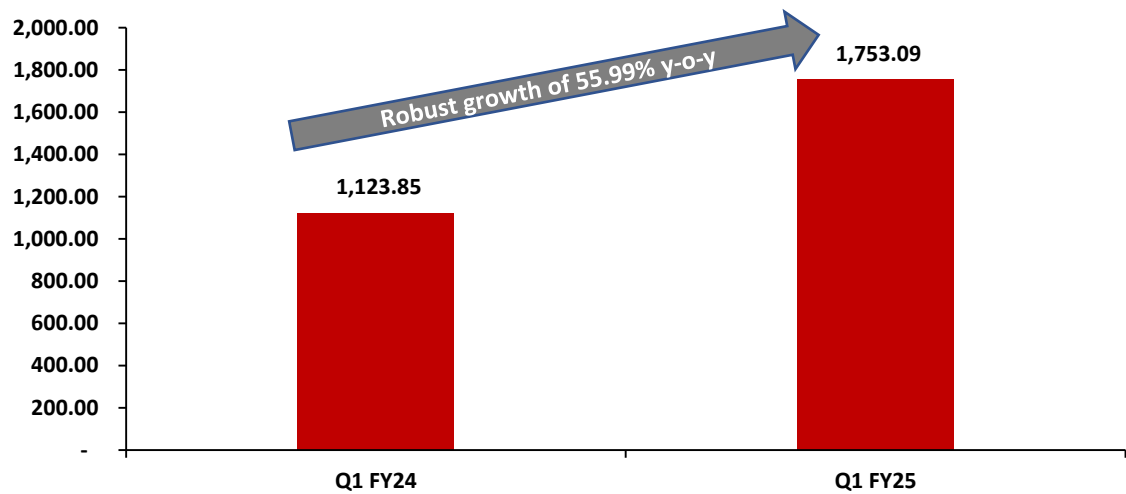


BFIL’s Specialized Engineering Solutions

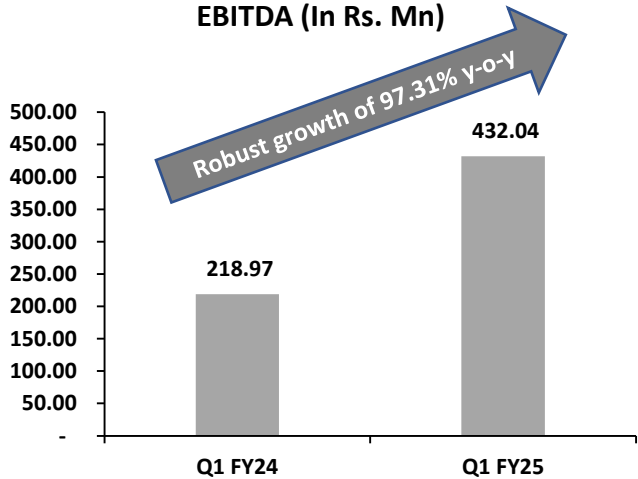
Product	Capabilities
Crankshafts	-
Railway Wheels	Axles & Wheel Sets
Under Carriage	Track Shoe, Track Link, Track Roller, Carriers Roller, Sprocket, Track Chain, Idler
Transmission & Clutches	Drive Shafts, Input & Output Shafts, Main Shafts, Yokes
Chassis	Front Axle Beams, Steering Knuckles, Control Arm, Fork, Steering
Oil, Gas & Flow Control	Stainless Steel Flanges, Valve Components, Stub Ends, Forged Hydraulic Fittings
Hydraulic Motors	Rotor, Track, Body & Piston Brakes
Brake Parts	Hub, Brake Flange, Disc, Caliper
Hooks	Sorting, Snap, Shank, Ramshorn Lifting Hooks
Towing Accessories	Swan Necks, Flange Balls, Tow Bar
Turbine Blades	-
New Generation Vehicles	Shafts, Transmission Shafts, Drive Shafts, Rotor Shafts, Rotor Carrier, Main Drive Shafts, Toothed Shafts

Scaling New Horizons with Sustainable and Robust Growth

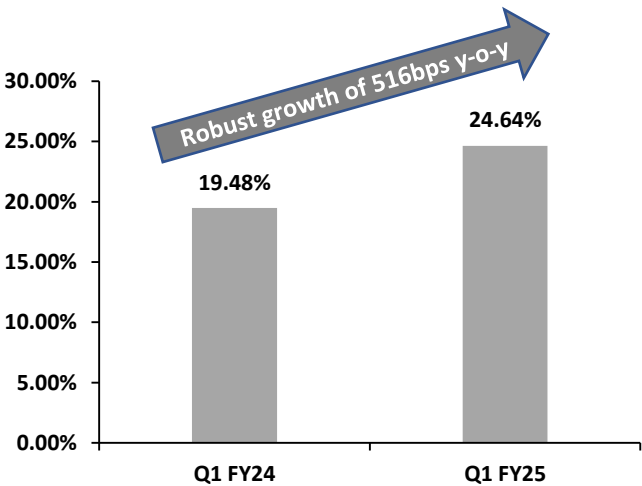
Revenue from Operations (In Rs. Mn)



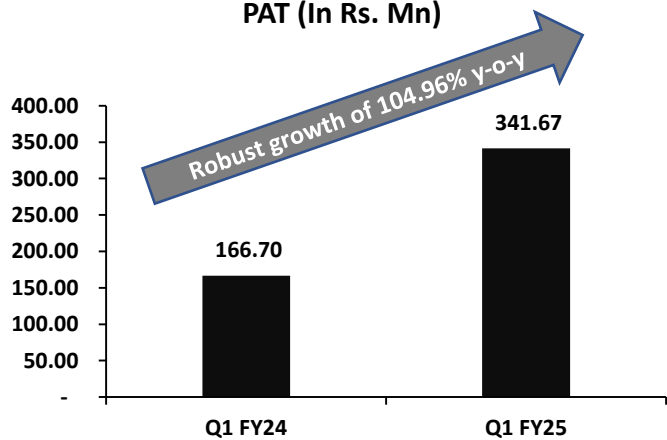
EBITDA (In Rs. Mn)



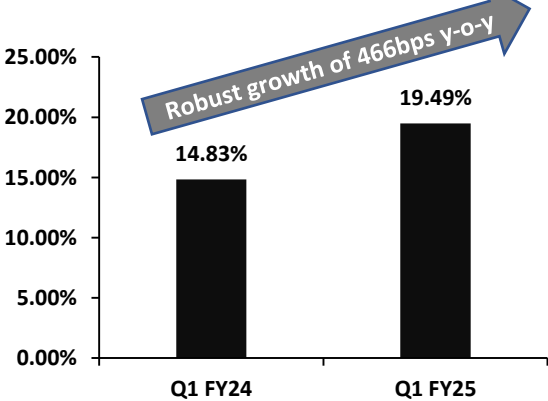
EBITDA Margin (%)




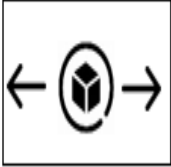



PAT (In Rs. Mn)



PAT Margin %



Progress thus far on our strategic priorities

Focus Area	 <p><i>Capacity Expansion</i></p>	 <p><i>Product Expansion</i></p>	 <p><i>Higher Market Share</i></p>	 <p><i>Customer Addition</i></p>	 <p><i>Geographic Expansion</i></p>
Key outline of the strategy	<p><i>The Mercedes-Benz unit is anticipated to achieve full commercialization by Q2 FY25</i></p>	<p><i>Diversifying the company's product portfolio of specialized engineering solution with focus on sectors such as defence, railways, aerospace & new energy offerings which yields better margins owing to complexity</i></p>	<p><i>Aiming to expand market presence in the industrial vehicle and defence, railway and aerospace sector.</i></p> <p><i>Continually evaluating inorganic opportunity in allied business</i></p>	<p><i>Focused on adding 2-3 new OEM partnership annually across the globe</i></p>	<p><i>Expanding our reach with a concentrated effort on key engineering hubs</i></p>
Our progress thus far	<p><i>The setting up Mercedes-Benz unit is progressing well on timelines. The Capacity will be bolstered by recent acquisition of an advanced forging capacity of 72,000 Ton annually with a combination of Hammer & Press Lines fitted with the latest technologies available in the Forging Industry</i></p>	<p><i>BFIL is actively engaging with a number of companies globally for ToT and contract manufacturing agreements.</i></p> <p><i>The Forging acquisition enables the company to offer products in multiple alloys with a special focus of Aluminium & Titanium</i></p>	<p><i>Targeting higher wallet share from existing customer by becoming a one stop fully integrated advanced forging and precision machined component supplier with advanced R&D capabilities</i></p>	<p><i>Progressing positively in the area of customer addition through ToT and contract manufacturing opportunities in the following space :</i></p> <p><i>Railway wheel sets</i></p> <p><i>Defence</i></p> <p><i>Aerospace</i></p>	<p><i>Focusing on engineering hubs globally and Indian defence to increase geographic footprints</i></p>

Another Set of Robust Financial Performance
Revenue for Q1FY25 increased by 55.99% over Q1FY24
PAT for Q1FY25 increased by 104.96% over Q1FY24

Consolidated P&L Statement

Particulars (Rs. Mn)	Q1 FY25	Q1 FY24	YoY%	Q4 FY24
Revenue from Operations	1,753.09	1,123.85	55.99%	1,611.71
Other Income	10.58	1.07		43.83
Total Income	1,763.67	1,124.92	56.78%	1,655.54
Total Expenses excl. D&A & Finance Cost	1,321.05	904.88		1,267.86
EBITDA (Excluding Other Income)	432.04	218.97	97.31%	343.85
EBITDA Margin (%)	24.64%	19.48%	516 bps	21.33%
Depreciation & Amortization	7.99	4.59		6.23
Finance Cost	15.49	24.79		35.31
PBT before Exceptional Item	419.14	190.66		346.14
Exceptional Items	-	-		-
PBT	419.14	190.66		346.14
Tax	77.47	23.96		63.35
PAT	341.67	166.70	104.96%	282.79
PAT Margin %	19.49%	14.83%	466 bps	17.55%
Other comprehensive (profit)/ loss	-0.45	0.04		0.00
Net PAT	341.22	166.73		282.79
Diluted EPS (In Rs.)	3.26	2.00		2.74

Management Commentary:

Commenting on the performance of Q1FY25, Mr. Trimaan Chandock, Executive Director of BFIL stated:

*“We are happy to share our financial and business performance for Q1FY25, we registered robust **revenue growth of 55.99%** with revenue from operations standing at ₹1,753.09 Mn in Q1FY25 compared to ₹1,123.85 Mn in Q1FY24 owing to our constant focus on client addition and continued demand for our specialized engineering products. **EBITDA grew by 97.31% and margins expanded by 516 bps** from 19.48% in Q1FY24 to 24.64% in Q1FY25 owing to increase in scale of operations and increased demand for heavier products which tend to yield better margins. **PAT grew by 104.96% and PAT margins improved by 466 bps** from 14.83% in Q1FY24 to 19.49% in Q1FY25. **The board of directors have recommended a final dividend of 1.50% of the face value per equity share of Rs.10/- each for the financial year 2023-24.***

Our robust financial performance was an outcome of our dedicated strategy implementation focused on addition of new products into our portfolio by understanding our customer needs, diversification of customer base and offering cutting edge solutions across industries like power generation, construction, hydraulics, and wind energy. Further, the Indian forging industry is undergoing rapid transition and transformation, with superior implementation of the China+1 strategy to de-risk supply chains.

This diversification and macro change in industry landscape offers us a plethora of opportunities and provides long runway for growth.

In order to appropriately capitalize on the opportunity we are investing heavily in our capabilities which are poised to yield positive results in near future.

Apart from the financial achievement, the current quarter was marked with various remarkable business accomplishments which are focused on expanding our capability, integrating our operations and becoming a more prominent force in the critical forging and precision machining landscape:

1. **Acquisition of three state of the art forging production lines**, with a capacity of producing **72,000 tons of forged products**. This comprehensive setup includes **16-ton closed die forging hammer, 10-ton closed die forging hammer and 8,000T capacity mechanical press**. This acquisition not only **strengthens & expands our critical engineering product portfolio but also enhances the R&D capability enabling a product portfolio expansion in newer industries**. It provides us a niche strength in creating products from different alloys from Aluminium to Titanium.. This is a part of our strategic vision to **increasingly contribute in manufacturing highly complex products at a global scale**. The new forging unit will be seamlessly integrated with our current capabilities to deliver end to end solutions under one roof with best in class, Industry 4.0, practises to ensure high level of manufacturing efficiency.
2. The proposed fundraise of INR 496.80 crores will strengthen manufacturing capacity, enhance the capability and play an incremental role in making India atmanirbhar/ self-reliant in defence, railways and aerospace sector. This will further aid turning the vision of Viksit Bharat as formulated by our Honourable Prime Minister into reality. With this, we aim to procure Solid Wheel Rolling Machinery which will produce the **one of the largest railway wheel of up to 1,300 mm dia** & further strengthen the company's ability to cater to field of Defence, Aerospace & Railways.

In conclusion, BFIL is committed to expanding its capabilities through strategic investments in assets and the augmentation of our team to deliver top-quality, innovation-driven products. This approach positions us as a leading player in the market. Our dedication to sustainability and continuous improvement allows us to meet current customer demands while anticipating and shaping future industry needs. As we progress, we remain focused on driving substantial revenue and profit growth, enhancing stakeholder value, and making a positive contribution to the global economy.”

Management Guidance:

We continue to maintain the guidance for FY25 as below :

- Revenue is expected to moderately grow in the range of **40.0%-45.0%** in FY25 over FY24, led by new customer addition in sectors like railway and defence.
- EBITDA margins are expected to conservatively be in the corridor of **23.0%-24.0%** for FY25 on the back of increasing scale of operations and efficiencies thereon.

For further information on the Company, please visit : www.baluindustries.com

Disclaimer:

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Balu Forge Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Contact Details:

Tabassum Begum (Company Secretary)

Krunal Shah/Naman Maheshwari

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