

Date: February 12, 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

Sub: - Earnings Release for the Quarter and Nine Months ended December 31, 2025

Dear Sir/Madam,

Please find enclosed herewith the Earnings Release for the Quarter and Nine Months ended December 31, 2025.

Kindly take the same on your record and acknowledge.

Thanking You,
Yours Truly,

For Balu Forge Industries Limited

Jaspalsingh Chandock
Managing Director
DIN: - 00813218

Enclosure: As above





Earnings Presentation

Q3 and 9M FY26



February 2026

Expanding Horizons Getting Future Ready

BSE : 531112 | NSE : BALUFORGE

Introduction to Balu Forge



Leading with Precision Machining and Engineering



Machining & Assembly *Kakti, Belgaum*

22,000+ MTPA

Machining & Assembly *Hattargi, Hukkeri*

58,000+ MTPA

7+ Acres
Established
Manufacturing Facilities

35+ Years
of extensive
industry experience

46+ Acres
New Advanced
Manufacturing Facilities

Outsourcing strategy to be gradually replaced by in-house forging capabilities. Increasing to 1,50,000 MTPA

Forging
Hattargi, Hukkeri
100,000+ MTPA

Forging infrastructure:
25T, 16T and 10T
Hydraulic Hammers Line
8,000T Mechanical Press Line
1,000T Hydraulic Press Line

Core Product Portfolio



Crankshaft



Railway Wheels



Empty Shells



Brake Components



Turbine Blades



Hydraulic Motors



Lifting Hooks



Under Carriage Components

Key Financial Metrics

Rs. 9,236 Mn
FY25 Revenue

Rs. 2,478 Mn
FY25 EBIT

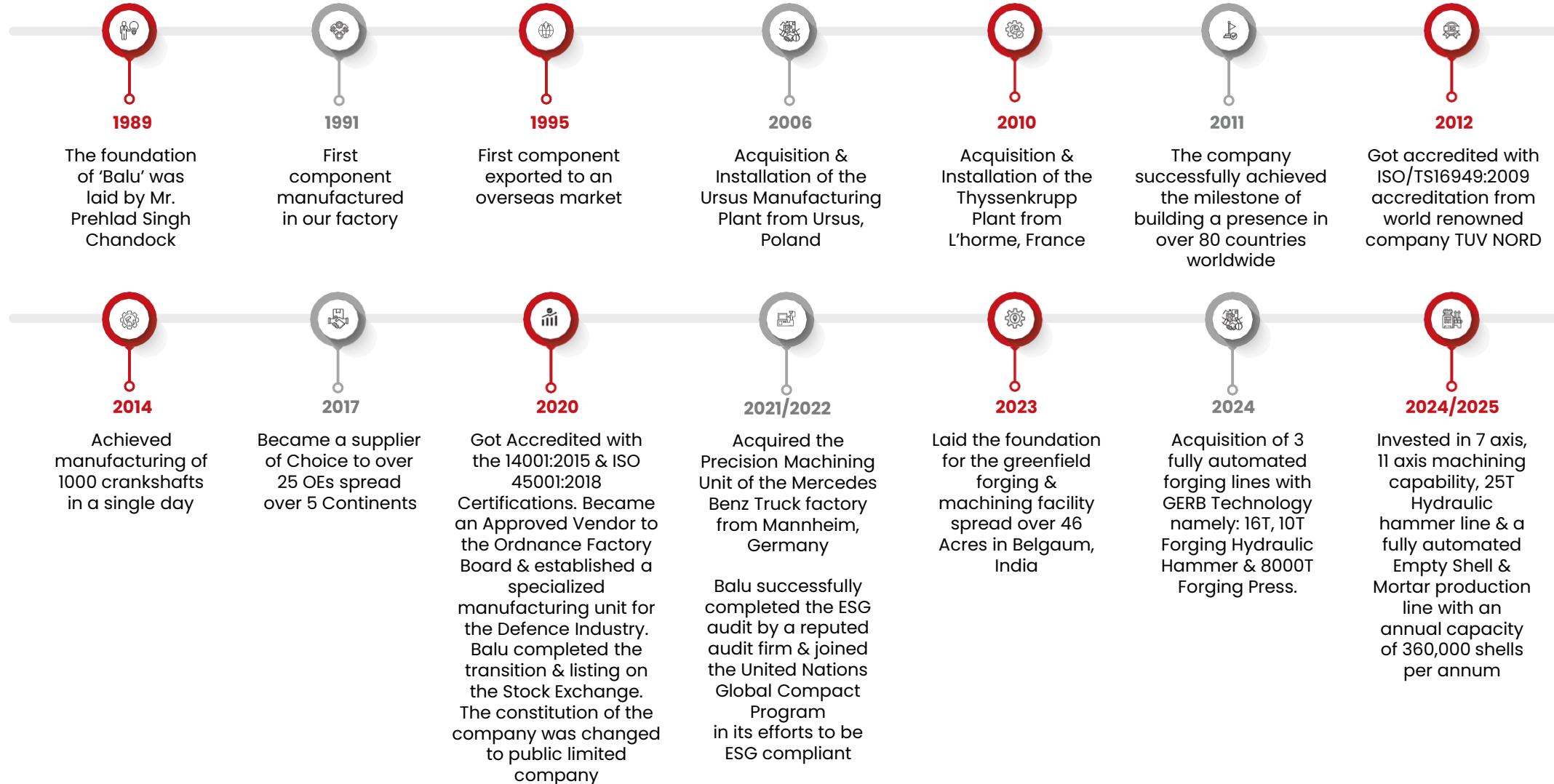
26.8 %
FY25 EBIT Margin

(0.06)x
FY25 Net Debt / Equity

25.4%
FY25 ROCE

30.1%
FY25 ROE

Successful Track Record of Acquiring and Integrating High End Forging & Machining Equipment



1.	Precision Engineered Product Portfolio for Global OEMs	<ul style="list-style-type: none">• Manufactures precision machined and forged components• Serves diverse end-markets including automotive, industrial machinery, power generation, defence, and railways• Supplies precision-engineered components to 25 global OEMs across 80 countries
2.	Acquired Integrated Manufacturing Platform	<ul style="list-style-type: none">• Operates four facilities across India and the UAE with integrated forging, heat-treatment, and machining lines• 16-ton hydraulic and 8,000-ton mechanical presses, CNC machines, and robotic systems for high precision production• Acquired facilities from Mercedes-Benz Truck AG (Germany), Thyssenkrupp AG (France), and Ursus SA (Poland)
3.	Facility at Hattargi Provides Platform for Future Growth	<ul style="list-style-type: none">• Developing a 46-acre facility with machining capacity of 58,000+ MTPA and a captive forging capacity of 1,00,000+ MTPA• Advanced automation, digital systems, and a scalable platform for complex components strengthen export capability• This facility will raise total Machining Capacity to over 80,000+ MTPA and Forging Capacity to 1,50,000+ MTPA
4.	Expanding in High-Value Engineering Sectors	<ul style="list-style-type: none">• Expanding into defence, aerospace, railways, energy, and industrial equipment with complex precision components• Forging and machining line for Empty Shell production with a capacity of 360,000 shells p.a. being commercialized• Secured approvals for 180+ products across these segments, strengthening customer relationship and qualification base
5.	Ongoing Investment in Technology and R&D	<ul style="list-style-type: none">• Equipped with 7-axis and 11-axis machining systems and a 25-ton hydraulic hammer for high-precision forgings• A Dedicated R&D team of 75 people and design centre focused on new product development and process optimisation• Industry 4.0-enabled automation enhances productivity, accuracy, and traceability across operations
6.	High Margin Growth with Well Capitalised Balance Sheet (FY25)	<ul style="list-style-type: none">• FY25 Revenue from Operations of Rs. 9,236 Mn with EBITDA margin of 27.2% and PAT margin of 21.7%• ROCE of 30.1% and ROE of 25.4%; Net Cash of Rs 603 Mn provides flexibility to continue the acquisition strategy• Cash flow from operations of Rs. 1,482 Mn, with CFO to EBITDA conversion of 59%.



Mr. Jaspal Singh Chandock

Chairman & Managing Director

Rs. 8,438 Mn

9M FY26 Revenue (29.0% YoY)

Rs. 2,396 Mn

9M FY26 EBITDA (28.4% Margin)

Rs. 2,306 Mn

9M FY26 PBT (27.0% Margin)

Rs. 1,932 Mn

9M FY26 PAT (22.6% Margin)

In 9M FY26, the Company reported revenue from operations of Rs. 8,438 million, representing a year-on-year growth of 29.0%, driven by sustained demand momentum. EBITDA for the quarter was Rs. 2,396 million, with a year-on-year growth of 36.0%, with a margin of 28.4%, reflecting stable cost structures and operating leverage benefits, while profit after tax was Rs. 1,932 million, translating into a PAT margin of 22.6%. The performance underscores disciplined execution, margin resilience, and the ongoing strengthening of Balu Forge's integrated manufacturing platform

During the quarter, we successfully operationalised a set of high-impact strategic assets that position the Company for sustained growth over the next decade. Our newly commissioned precision machining facility has now been fully commercialised, equipped with advanced 7-Axis and 11-Axis CNC machining lines. This capability enables us to manufacture highly complex components from specialised alloys with micron-level accuracy, decisively moving Balu Forge up the value chain and strengthening our role in mission-critical applications.

In parallel, we have commercialised our dedicated artillery shell production line, with a specific focus on the high-demand 155mm large calibre. This represents a significant milestone in our defence manufacturing journey and reinforces our commitment to the Atmanirbhar Bharat vision by building indigenous capabilities in a strategically critical segment.

These operational achievements have already translated into meaningful external validation. During the quarter, Balu Forge was formally inducted into the NATO Supply Chain, an endorsement that reflects our adherence to the highest global quality, compliance, and reliability standards, and one that opens access to some of the world's most demanding defence markets.

This external recognition, along with the Company's requisite manufacturing infrastructure and operational capability, reinforces our position to support long-term supply programs and maintain the capacity to service engagements for up to five years. With advanced precision machining facilities and production lines, Balu Forge is well equipped to meet both current and future demands efficiently.

In summary, Q3 was the quarter in which our strategic investments were converted into operational assets, global credentials, and expansion initiatives. With these foundations firmly in place, Balu Forge is now positioned on a trajectory of scalable and sustainable growth in defence and other critical segments.

Strategically Located Manufacturing Facilities



Karnataka, India - 3 Units, 53 Acres
United Arab Emirates - 1 Unit, 1 Acre



7 Axis Machining



11 Axis Machining



Junker Grinding M/C



Unit 1
5 Acres

Unit 2
2 Acres

Belgaum

Machining : 22,000+ MTPA

Unit 3
46 Acres

Hattargi

Machining : 58,000+ MTPA
Forging: 100,000+ MTPA

Unit 4
1 Acre

Ras Al Khaimah, UAE

15,000+ Units PA
Powertrain Sub Assemblies

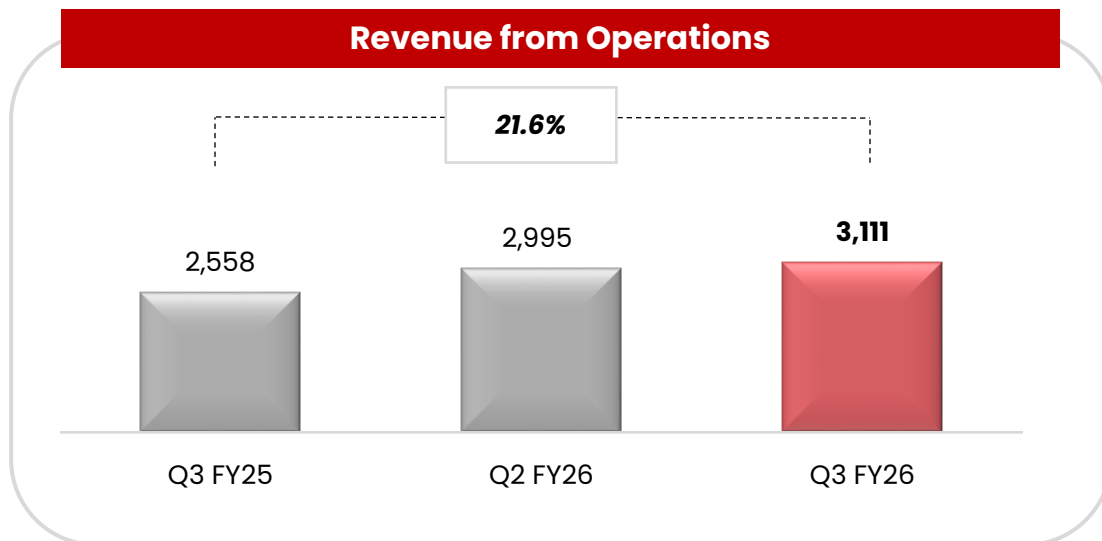
Scan for videos



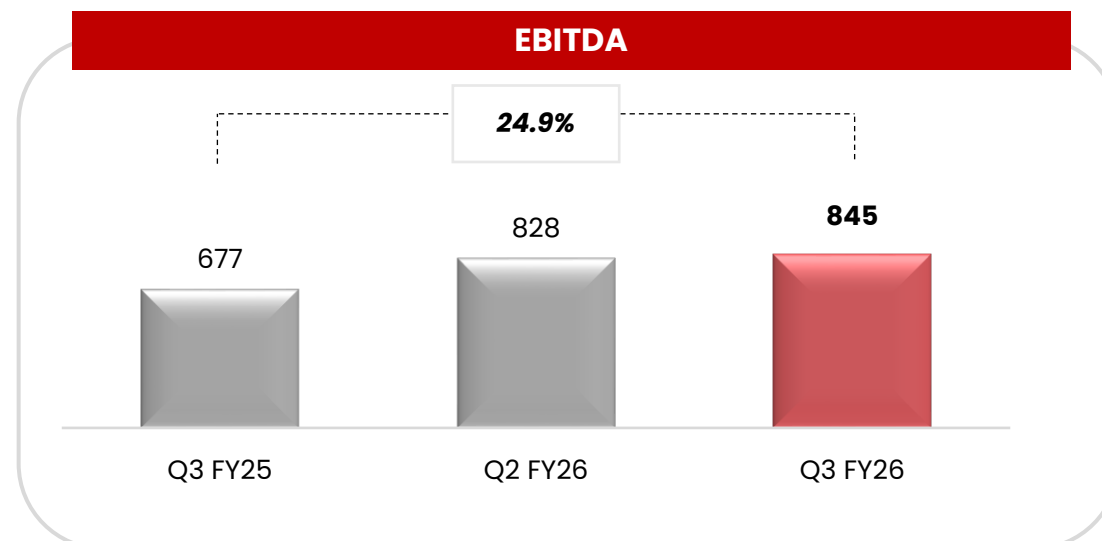
Q3 FY26 Consolidated Financial Performance

All figures in Rs. Mn.

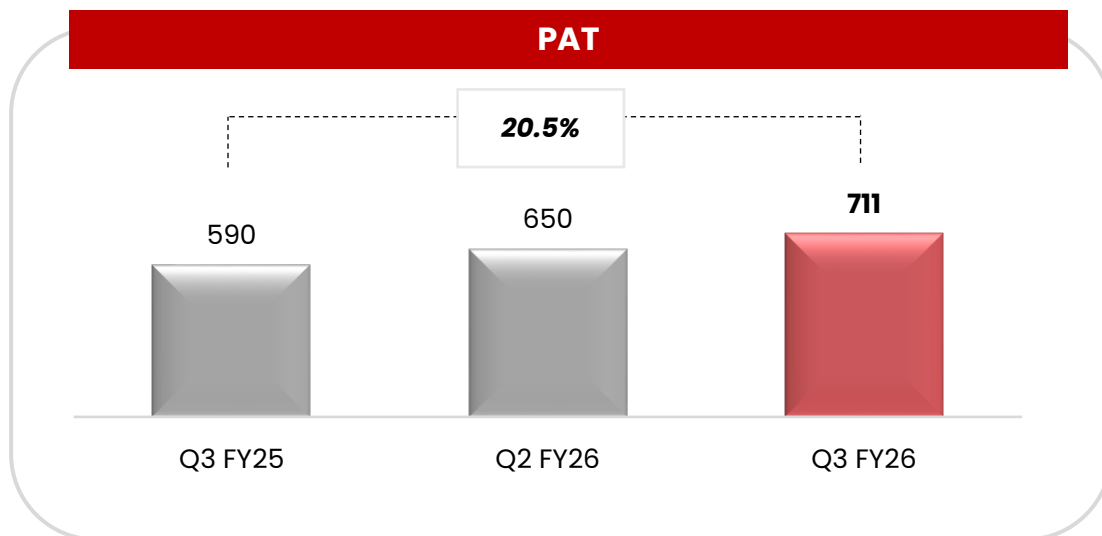
Revenue from Operations



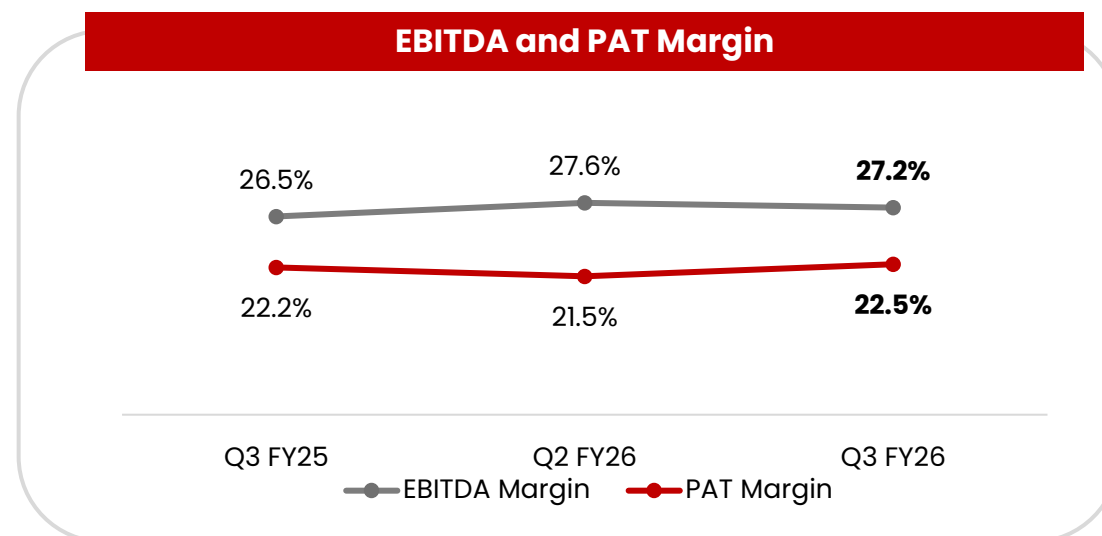
EBITDA



PAT



EBITDA and PAT Margin



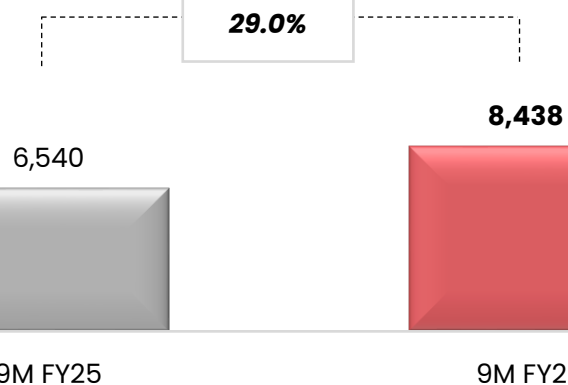
Notes:

1. EBITDA and EBITDA Margin excludes Other Income
2. All other Margins are calculated on Total Income

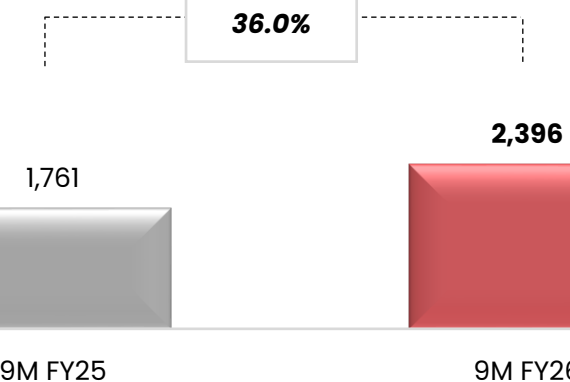
9M FY26 Consolidated Financial Performance

All figures in Rs. Mn.

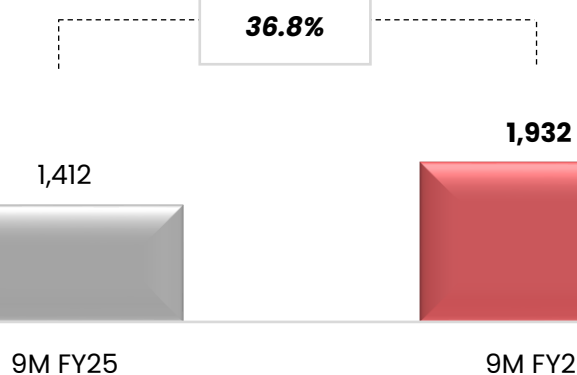
Revenue from Operations



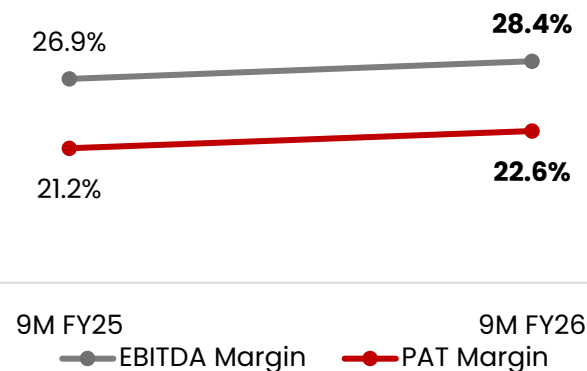
EBITDA



PAT



EBITDA and PAT Margin



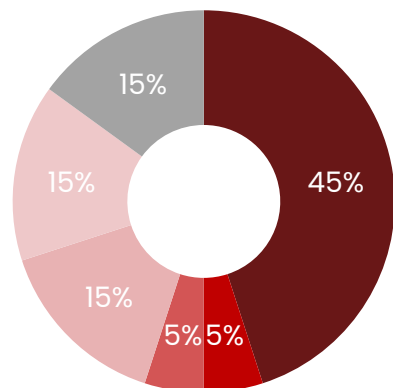
Notes:

1. EBITDA and EBITDA Margin excludes Other Income
2. All other Margins are calculated on Total Income

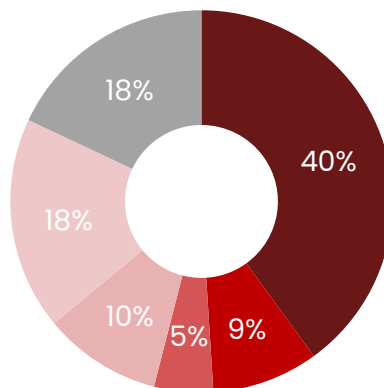
9M FY26 Revenue Contribution Analysis

By End-user Industries

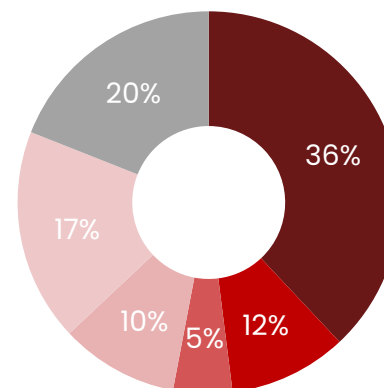
FY24



FY25

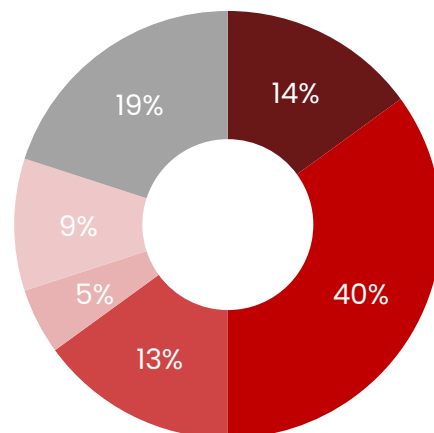
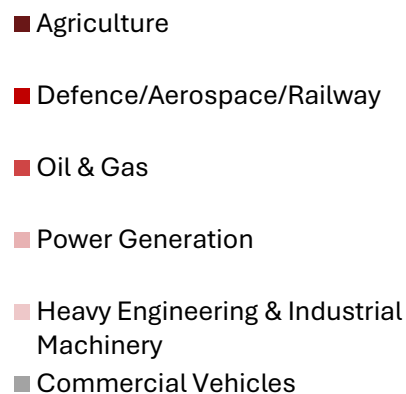


9M FY26



Order Book

Order Book Industries wise



Highlights

- Strong and consistent diversification of revenue mix across industrial and high-value segments.
- Clear visibility of the defence order helps position strategic and high-margin sectors.
- Balanced contribution from Power Generation and Heavy Engineering supports revenue stability.
- Evolving sector mix reflects enhanced resilience and long-term structural growth alignment.

Auto Components



Crankshaft



Under Carriage Components



Chassis Components

Front Axle Beams, Steering Knuckles,
Control Arms, Forks, Steering



Transmission & Clutches

Drive shafts, Input & Output shafts,
Main shafts, Yokes



Brake Components

Hub, Brake Flange, Disc, Caliper



Towing Accessories

Swan Necks, Flange Balls, Tow Bars

Non-Auto Components



Railway Wheels
Axles & Wheel sets



**Hydraulic
Motors**



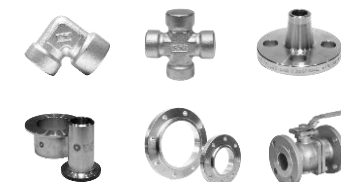
Turbine Blades



Lifting Hooks
Sorting, Snap, Shank,
Ramshorn Hooks



Empty Shells



**Oil, Gas, & Flow
Control Components**

Received approval to supply 180+ products



Crank Shaft



Breach Base



Road Wheel Arm



Flange



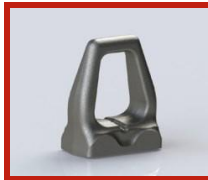
Hub Carrier



Track Link



Intermediate Gear



Track Guide



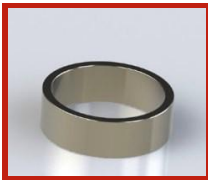
Shoe



Gear Ring
(Solid)



Clamp



Gear Ring
(Hollow)



Crank



Sun Gear



Carrier Forging



Empty shell

Long-Term Capacity Expansion

- Multi-year investments to scale Defence manufacturing infrastructure
- Adding 25T hammer, 8,000T press, and multi-axis machining lines for precision components

Product Diversification & Technology Edge

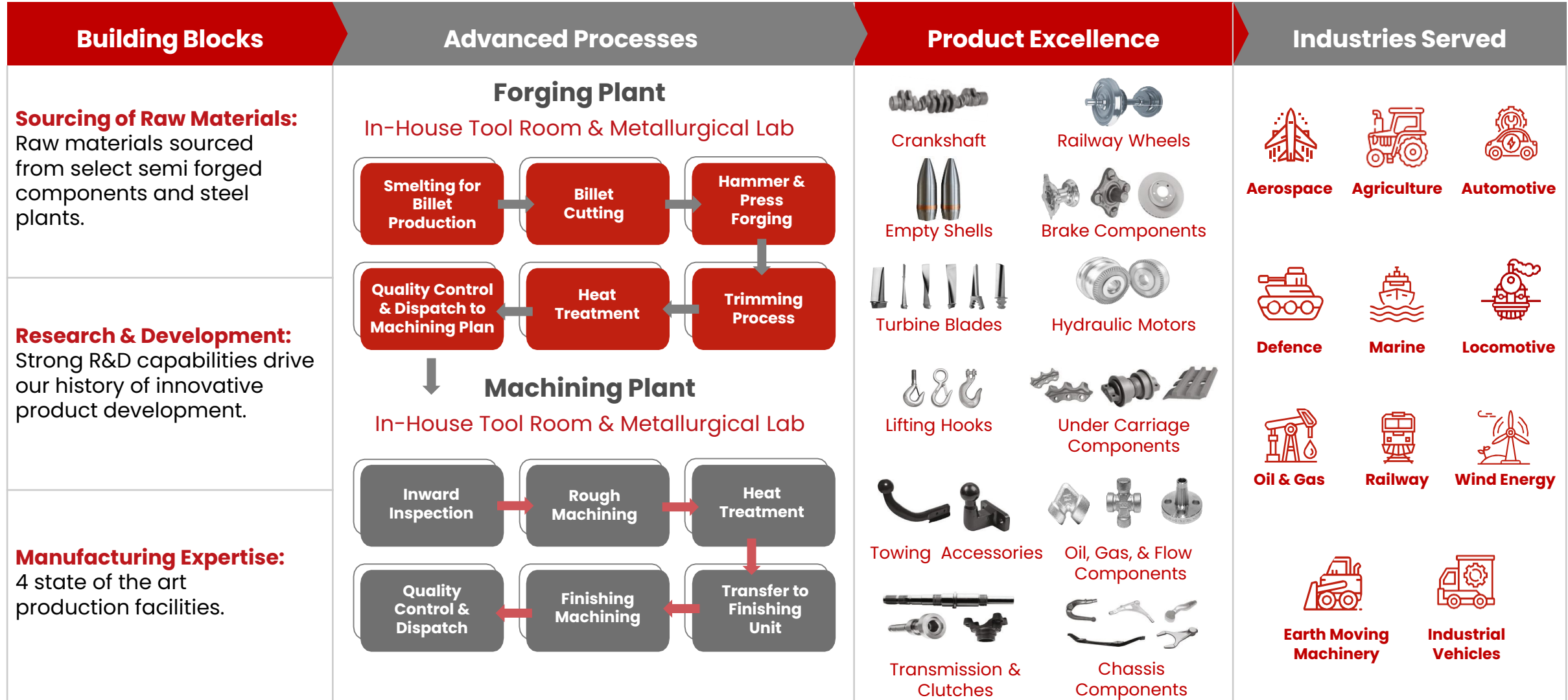
- Expanding into artillery, ammunition, and engine components
- Adopting Industry 4.0 automation, additive manufacturing, and alloy innovation to meet global Defence standards

Global Expansion & Partnerships

- Strengthened Global footprint through induction into the NATO supply chain, establishing a strategic international defense partnership
- Expanding reach across Europe and the Middle East to strengthen global positioning

Empty Shell Product Line

- Dedicated forging and machining line for empty shell production (capacity: 360,000 shells p.a.) in the commercialization phase



Successful R&D ensures continuous improvements in product quality, performance, and efficiency

R&D Process

- **State of the Art Machining:**
Machining facilities feature cutting-edge infrastructure, including a comprehensive in-house tool room, metallurgical laboratories, design & process capabilities, as well as inspection & testing facilities
- **Dedicated and Experienced R&D Team:**
Strong in-house R&D capabilities supported by a highly experienced team with nearly 4 decades of domain expertise, driving continuous innovation and advanced engineering excellence
- **Product Engineering & New Product Development:**
Concentrated efforts on engineering and creating new products across industries
- **Development of New Materials:**
Projects focus on exploring various new material chemistries to analyze compositions and applications of innovative metals

**Customer lifecycle and long product journey:
15 to 20 years**

Research & Application
2-3 Months



Product Development
3-5 Months



Customer Lifecycle
15 to 20 years

Certifications



ESG Commitments

CSR

Net Zero Emissions

Carbon Neutral
Operation by 2040

Water Management

Achieve 100%
Water Recycling by 2027

Zero

Liquid Discharge by 2030

INR 7.5 Mn

Amount spent on
CSR in FY25

97,666 GJ

Electricity or Energy
Consumption 2025

Renewable Energy

Transition 100%
Renewable Energy by 2035

Waste Management

Reduce Total Waste
Generation by 2030

INR 1.1 Mn

Amount Donated in FY25

20%

Increase Women's
Representation In Leadership
By 2030

Zero

Reported Incidents of
harassment, discrimination
or victimisation in FY2025

Zero

Fatalities in 2025

517

Individuals Benefitted
Through CSR spend

Q3 and 9M FY26 Profit & Loss

(Rs. Mn)	Q3 FY26	Q3 FY25	Y-o-Y (%)	Q2 FY26	Q-o-Q (%)	9M FY26	9M FY25	Y-o-Y (%)
Revenue from Operations	3,111	2,558	21.6%	2,995	3.9%	8,438	6,540	29.0%
Other Income	45	96	(53.1)%	33	36.4%	94	129.8	(27.6)%
Total Income	3,156	2,653	19.0%	3,028	4.2%	8,533	6,669	28.0%
Raw Material Costs	1,999	1,880	6.3%	1,969	1.5%	5,408	4,284	26.2%
EBITDA	845	677	24.8%	828	2.1%	2,396	1,761	36.0%
<i>EBITDA Margin (%)</i>	27.2%	26.5%		27.6%		28.4%	26.9%	
Finance Cost	54	23	Nm	40	35.0%	117	67	74.6%
Depreciation and Amortization	29	9	Nm	21	38.1%	68	25	172.0%
Profit Before Tax	807	742	8.8%	799	1.0%	2,306	1,799	28.2%
<i>PBT Margin (%)</i>	25.6%	27.9%		26.4%		27.0%	27.0%	
Tax Expenses	96	152	(36.8)%	149	(35.6)%	375	387	(3.2)%
PAT	711	590	20.5%	650	9.4%	1,932	1,412	36.8%
<i>PAT Margin (%)</i>	22.5%	22.2%		21.5%		21.2%	22.6%	
Basic EPS (Rs per share)	6.41	5.19	23.5%	6.08	5.4%	17.00	13.47	26.2%

Notes:

1. EBITDA and EBITDA Margin excludes Other Income
2. All other Margins are calculated on Total Income

Key Updates

Commercialization of our 100% "Made in India" Shell Line

Balu Forge has commenced operations at its greenfield Belgaum campus with a new empty shell production line for large caliber ammunition, currently boasting a capacity of 360,000 shells per year. Representing a significant technological feat, the facility is 100% indigenously built and achieves near 100% automation using Fanuc Robotics with a rapid 55-second cycle time. This expansion aligns with the "Atmanirbhar Bharat" initiative, marking a strategic pivot toward high-precision defence manufacturing to serve both domestic and global ecosystems. The company plans further phased expansions to meet rising demand, solidifying its position as a key player in the advanced machining sector.

Induction into the NATO Supply Chain

Balu Forge Industries Ltd has been inducted into the NATO supply chain to manufacture artillery shell bodies and mission critical component. This selection highlights the strength of the Company's advanced closed-die forging technology and precision multi-axis CNC machining capabilities. By leveraging specialized heat treatment and alloy optimization, the company ensures its components meet the extreme durability standards required for modern battlefield demands, setting a new benchmark for material science innovation. This strategic milestone significantly expands the company's global footprint, diversifies its high-margin revenue streams and provides investors with a long-term platform for sustainable growth. Ultimately, this partnership positions Balu Forge at the center of the alliance's industrial revitalization, contributing technical expertise to collective security while delivering value to shareholders.

Commercialization of our highest precision machining Line of 7 Axis & 11 Axis machines

Balu Forge has operationalized a cutting-edge precision machining line in Belgaum featuring 7-Axis and 11-Axis CNC machines from Spain and Germany, capable of handling parts up to 2.5 meters. This facility enhances capabilities for critical sectors like aerospace and defence by processing diverse alloys from aluminium to titanium into complex components such as turbine blades. The move marks a regional technology milestone, offering unmatched precision and reduced turnaround times for high-value global industrial needs.



Key Updates

Strategic Capacity Expansion and Long-Term Demand Visibility for Defence Shell Supply

The Company has established the requisite manufacturing infrastructure and operational capabilities to support long-term supply programs, including engagements of up to five years. As part of its strategic capacity expansion initiatives, the Company has further strengthened its ability to address growing demand in the defence shell supply segment. With clear visibility over the next five years and in anticipation of increased demand, the Company is well positioned to meet both current commitments and future growth opportunities.


Clarification on Income Tax Search at our Premises

During the quarter, the Income Tax Department carried out a search at some of our offices and manufacturing units of the company. The same was intimated to the Stock Exchanges vide the intimation dated 13th January, 2026 on the conclusion of the Search Proceedings. The Company, its Promoters and Key Managerial Personnel (KMP) has fully co-operated with the officials of IT Department during the Search Proceedings and responded to the clarifications and details sought by them. The Company reiterates that as on date, the Company has not received any written communication from the IT Department regarding the outcome of the search. As indicated above, the Company has made intimation from time to time in relation to the said search proceeding. The Company will continue to fully cooperate with the IT Department in this regard. The management does not foresee any material adverse impact on the financial position or operations of the Company. The Company shall continue to inform the stock exchange(s) from time to time in relation to development on the said search proceeding. At Balu Forge Industries Limited, we adhere to the highest standards of ethical conduct and legal compliance. Our commitment to transparency and belief in the due process of law remain unwavering.

Credit Rating Upgrade

The recent credit ratings assigned by ICRA represent an improvement of the Company's existing borrowing credit ratings, as intimated by the Company vide its intimation dated February 9, 2026. The new ratings assigned by ICRA is A-(Stable)/[ICRA]A2+.





<https://www.baluindustries.com/>

Balu Forge ESG Profile

The screenshot displays the Balu Energy ESG website interface. A sidebar on the left contains a navigation menu with items such as 'Home', 'About Us', 'Solutions & Services', 'Data Governance', 'Data Aggregators', 'Media', and 'Contact'. The main content area features a large header with the 'ESG' logo and a background image of a person in a hard hat. Below the header, there are several red dashed boxes with white text highlighting specific features: 'Map our ESG framework with 35+ different frameworks', 'Download ESG data', 'AI Agent', 'Over 15 factors and 200+ KPI', 'Access to ESG factsheet', and 'Search for keywords'. The website also includes a search bar, a filter dropdown, and a table of ESG data with columns for 'Factor', 'KPI', and 'Value'. The table lists various ESG factors and their corresponding KPIs and values, such as 'Carbon Footprint' with a KPI of '100,000 tCO2e' and a value of '100,000 tCO2e'.

With this new AI-powered enhancement, our ESG Profile now enables stakeholders to:

- Engage in real time through an interactive, OpenAI-powered chatbot
- Receive customised responses to ESG queries on disclosures, data, and performance
- Experience clear and transparent engagement throughout our ESG journey
- Copy / paste responses easily for use in reports, briefing notes, and related documentation

- Copy / paste responses easily for use in reports, briefing notes, and related documentation

1. What is the story behind the foundation and journey of Balu Forge?

In 1989, founder Mr. Prehlad Singh Chandock, along with a small team, established a 3,000 square foot machining plant in Belgaum, Karnataka, as a job work vendor for crankshafts and an ancillary supplier to companies across India. Building on this foundation, the Company entered the export market in 1994, a move that has since extended its presence to over 80 countries and positioned it as a trusted supplier to Original Equipment Manufacturers (OEMs) and the global aftermarket. From this early foundation, nearly four decades of sustained growth have laid the strong foundation on which the company stands today.

2. How has the Company transformed in recent years from a family run business to an organization?

The real transition started after the listing of the company in 2020 where the transition was undertaken from a family run company to an organization of the future. The past couple of years have seen additions in key roles at the Company, with many industry veterans joining the organization from more established peers. This has helped transform the company into a decentralized organization. Today, all key roles in the organization are under the leadership of industry veterans with many decades of experience in some of the leading organizations across the world.

3. What were some of the most defining milestones in Balu Forge's growth, with respect to major strategic acquisitions?

After securing a strong foothold in the Indian market, the Company achieved the major export opportunity in 1994 by embarking on its global expansion journey through exports, which now span over 80 countries, laying the foundation for an accelerated growth trajectory. However, the real boost in the Company's operation came with the many fixed asset acquisitions that the Company has done over the decades, starting with the Ursus manufacturing plant from Poland in 2006, followed by the Thyssenkrupp's facility in France, in 2010. These strategic acquisitions significantly enhanced Balu Forge's manufacturing capabilities and helped in diversifying its product portfolio while simultaneously establishing the Company as a global force in precision engineering. Encouraged by its strong performance in both Indian and international markets, the company went public in 2020. Since then, Balu Forge has made several strategic acquisitions including the Precision Machining Unit from Daimler's Truck Factory in Mannheim, Germany, and one of the largest forging equipment assets from Ukraine. The addition of advanced 7-axis and 11-axis precision machining further enhanced its technical capabilities. Most recently, the company acquired one of the world's largest closed-die forging hammers (25T) from Romania, which is now being installed at the 46-acre greenfield campus in Belagavi, Karnataka.

4. What are the key factors that differentiate Balu Forge from other precision engineering firms, especially in the defence, aerospace, and railways sectors?

Balu Forge operates four manufacturing facilities, including a new 46-acre greenfield plant in Belagavi, Karnataka, currently under expansion. Supported by a dedicated in-house R&D function and a highly experienced workforce with nearly 4 decades of industry expertise. The Company manages all machining in-house and has integrated forging operations for captive use, enabling a fully integrated value chain from design and engineering to manufacturing, testing, and validation for global clients. With advanced 7-axis and 11-axis CNC machines, automated shell lines, and forging capabilities ranging from 1 kg to 1,000+ kg and up to 3 metres in length, supported by both closed-die hammers and presses, including India's largest 25-ton hydraulic hammer, the Company provides end-to-end precision engineering solutions. Its vertically integrated infrastructure, multi-sector exposure, and proven ability to deliver high-value critical components for defence, aerospace, and railways position Balu Forge as a differentiated global company in precision engineering.

1. Freight Forwarding & Distribution expenses as a percentage of revenue are lower than peers?

The Company's freight and distribution expenses remain comparatively lower than industry peers primarily due to its commercial terms with customers. A substantial portion of revenue is derived from exports, with supplies made to over 25 OEM clients across geographies ranging from South Korea to Mexico. Most transactions are executed on an Ex-Works basis, wherein customers arrange for pickup directly from the Company's factory. Accordingly, freight, logistics, and associated risks transfer to the customer at the factory gate, and such transportation costs are not borne by the Company. This commercial structure results in lower freight and distribution expenses relative to peers operating under delivered-duty or CIF arrangements.

3. What steps are being taken to improve operational efficiency?

Operational efficiency is a core driver of margin improvement at Balu Forge. Key initiatives include: 1) Deployment of IoT-enabled CNC machines, robotic handling, and anti-vibration systems for high-precision forging & machining; 2) Adoption of machine learning models to monitor real-time performance, reduce downtime, and extend asset life; 3) Enhanced production cycles and resource allocation for multi-line flexibility. This allows the precision machining lines to be fungible, thereby supporting a broader and more diversified product portfolio; 4) Advanced quality systems and checks are in place to ensure product consistency, particularly for critical applications in defence and aerospace. These initiatives have collectively increased productivity, optimized cost structures, and improved margin.

2. How has Labour Cost performed?

Employee benefit expenses have risen in line with the expansion of manufacturing operations and higher production levels. The increase is largely driven by onboarding skilled personnel, strengthening operational and supervisory capabilities, and routine annual compensation revisions. As capacity scales and manpower are aligned with growing output, employee costs have continued to move upward. Importantly, revenue growth has outpaced the increase in employee expenses, indicating enhanced labour productivity, improved output per employee, and efficient absorption of fixed manpower costs. This reflects operating leverage, better capacity utilisation, and efficiency gains supported by automation and process improvements. Employee costs remain relatively moderate as a percentage of revenue due to a lean core workforce model, with key personnel on roll and a sizeable portion of workers engaged on a contractual basis, with related costs partly classified under manufacturing expenses. Higher job work volumes and efficient manpower deployment further contribute to strong revenue per employee and a flexible, scalable cost structure.

4. Why did the company not revalue its older assets after its listing via the reverse merger route in 2020?

Balu Forge did not revalue its Fixed Assets, specifically plant and machinery, as the Indian Accounting Standard (IND-AS) permits the recognition of Fixed Assets at amortized cost or at original acquisition cost less accumulated depreciation (written down value). There is no mandatory requirement under the Companies Act, 2013 to record the Fixed Assets at a revalued amount. Furthermore, even if the company were to undertake a revaluation of its Fixed Assets, the Income Tax Act does not permit depreciation of the revalued component. Accordingly, the company's Fixed Assets, including Plant and Machinery, continue to be recorded at their written down value.

5. How is Power and Fuel Cost presented in the financial statements?

Power and fuel expenses are not disclosed as a separate line item in the Statement of Profit and Loss. Instead, they are grouped within Cost of Goods Sold (COGS) or Manufacturing Expenses, as energy usage is directly linked to core production activities such as forging, heating and machining. The company was outsourcing forging activities and primarily undertaking machining in-house. Hence, power and fuel costs were not fully reflective of an integrated forging and machining operation. Going forward, as forging operations are being brought in-house, power and fuel expenses are expected to increase. As per the FY 2024-25 BRSR, total energy consumption increased due to higher electricity usage aligned with capacity expansion and higher output. However, revenue growth exceeded the rise in energy consumption, leading to improved energy intensity. This reflects better capacity utilisation, process efficiencies, automation gains, and structured energy management initiatives, supporting sustainability objectives and margin stability.

6. Why is the Company's asset turnover higher than the industry?

In 2018 one of the world's foremost valuation company, Mott Macdonald valued our fixed assets close to Rs.300 Crores. The company was listed via a reverse merger & the assets were transferred on book value (written down value) in August, 2020 & the revaluation of the assets was not done at the said time. The company has over 250 CNC Machines & multiple Forging lines as on date. The strategy of the company historically had been to acquire used assets through auctions, private treaties, liquidations, etc from various parts of the world. The acquisition journey is well defined on multiple releases and corporate presentations over the years starting from 2006 (Acquisition from Poland) to date. The company also has built an in-house team, department & expertise over the three decades of experience dedicated for refurbishment & commissioning of used assets. The strategy going forward will be towards buying not only used machines but also new machinery as the company progresses on its journey. Our capitalized assets as recorded in H1 FY26 is Rs. 232 Crores and Capital WIP is around Rs. 350 Crores.

1. What is Balu Forge's medium-term growth strategy?

Balu Forge's 3–5 year strategy focuses on expanding capacity, enhancing technology, and strengthening its global presence through organic growth and selective acquisitions. 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. The Company is also pursuing diversification into precision-led sectors such as defence platforms and aerospace assemblies, supported by advanced materials like aluminum and titanium. Backed by strong cash flows and a prudent balance sheet, Balu Forge aims to drive sustainable, innovation-led growth aligned with the Government's "Make in India" vision and deliver long-term shareholder value.

2. What is the Company's capital expenditure plan?

Balu Forge's capital expenditure roadmap reflects a prudent and capital-efficient growth model focused on scaling capacities and advancing automation. The ongoing development of the 46-acre Belagavi facility will play a pivotal role in expanding machining capacity to 80,000 TPA and strengthening captive forging capabilities. These investments form the backbone of the Company's medium-term growth roadmap. By FY27, the gross block is projected to reach ₹750–800 crore, driven by expansion of machining and forging lines, Industry 4.0 adoption, and investments in high-value defence and aerospace production. There are plans for major expansions to sustaining demand from the defence sector.

3. How is the Company funding its growth initiatives?

All expansion programs are being executed within a low-leverage framework, ensuring balance-sheet strength and financial flexibility. The funding requirements are being met through internal accruals, preference share issues, and warrants, with selective equity infusions where necessary. This approach allows the Company to sustain growth while maintaining minimal debt exposure, supporting efficient cash flows and long-term value creation for shareholders.

4. What role do defense and aerospace play in the company's future growth?

Defense and aerospace are high-margin, high-potential verticals for Balu Forge and form a critical component of the Company's growth strategy: **1) Automated Empty Shell Line:** The Company has installed a fully automated empty shell line with an annual capacity of 360,000 shells (155 mm), significantly enhancing its defence manufacturing capability. Vendor approval has already been received from a large company in India; **2) Aerospace Certifications:** The Company is pursuing key global certifications to qualify as an aerospace component supplier to OEMs and Tier-1 companies worldwide and has also received vendor approval from a customer in India; **3) Make in India & Global Reach initiatives** align with India's defense localization policies, while also opening global export opportunities in the Americas, Europe, and MENA regions; **4) Revenue Mix Evolution:** As the revenue contribution from defence and aerospace increases, it is expected to boost overall margins, given the premium pricing in these segments. This focus on long-term government contracts and strategic export opportunities ensures sustainable and high-margin growth.

1. Clarify the situation regarding the Enforcement Directorate (ED)?

The aforesaid transaction was undertaken independently through the secondary market and did not involve any participation, facilitation, or involvement of the Company. The shares in question pertain to a transfer of holdings from certain shareholders to the Enforcement Directorate, Raipur, through a market-based transaction. As a listed entity, the Company has no control, oversight, or influence over transactions executed at the shareholder level in the secondary market. Further, the Company does not have visibility into the personal or business affairs of individual shareholders. The Company also confirms that it has no direct or indirect association with the parties to the said transaction.

2. Does the US tariff situation affect Balu Forge?

The Company's export exposure is well diversified globally, with no significant dependence on any single region or country. Therefore, Balu Forge does not foresee any impact arising from the current volatile tariff situation.

Disclaimer:



This investor release is not an offer to sell any securities or a solicitation to buy any securities of Balu Forge Industries Limited (the "company") or its subsidiaries (together with the company, the "group"). Certain statements in this document may be forward looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "or" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, aims, objectives, goals, future events or intention. 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. Forward looking statements are not guarantees of future performance including those relating to general business plans and strategy of the Company, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that the objectives of the Company will be achieved. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this Investor Release, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. Balu Forge 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.

Thank You

For further information on Balu Forge, please visit: www.baluindustries.com



Tabassum Begum (Company Secretary)

Contact: +91 86550 75578

Email: compliance@baluindustries.com

**Churchgate
Investor Relations**

Neha Dingria / Akshay Hirani

Contact: +91 22 6169 5988

Email: baluforge@churchgatepartners.com



www.baluindustries.com