



# ANNUAL REPORT

2021-22

**Innovation Through  
Quality & Commitment**

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**BALU FORGE INDUSTRIES LIMITED**



# ABOUT US

Balu India was founded in 1989 in Belgaum, India, by Mr. Prehlad Singh Chandock. By virtue of a Business Succession Agreement (reverse merger) dated 3rd August 2020, Amaze Entertech Limited agreed to acquire the business of M/s Balu India, a sole proprietary concern. The Company was renamed Balu Forge Industries Limited Ltd.

Within the last few decades, the company has expanded its presence to over 80 countries. Balu Forge was the first company in India to mass-produce Crankshafts suitable for Tractors, Trucks, and Passenger car applications. We have become a name symbolizing quality & excellence in the field of crankshaft manufacturing. We are executing our strategic growth plans with a clear future vision. Built on a solid foundation of trust and tradition, the Balu Forge name is known for its high standards of transparency, ethics, and governance.



# ABOUT THE REPORT



Balu Forge Industries Limited will continuously strive to be a preferred supplier of crankshafts to OEM's in India and around the world. (BFIL) aims to enhance and grow its 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.

While pursuing the above, we will ensure that we establish a robust management system so as to enhance customer's experience in dealing with us, satisfaction of all stakeholders and due consideration to the environment

<b>APPROACH TO REPORTING</b>	<b>RESPONSIBILITY STATEMENT</b>
This report aimed at providing a comprehensive depiction of the Company's financial and non-financial performance to the stakeholders. This Report provides insights into key strategies, operating environment, risks and opportunities, governance and the Company's approach towards long-term value creation.	This report addresses material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner, in line with the interests and priorities of the Company's stakeholders.
<b>REPORTING FRAMEWORKS</b>	<b>FORWARD-LOOKING STATEMENTS</b>
This report complies with the requirements stated in the Companies Act, 2013 (including the rules made thereunder), the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Certain information provided in this Report may contain forward-looking statements, which involve known and unknown risks and opportunities, other uncertainties and relevant factors that could turn out to be materially different following the publication of actual results. We have tried, wherever possible, to identify such statements by using words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. We have chosen these assumptions in good faith, and we believe that they are reasonable in all material respects. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.
<b>REPORT SCOPE &amp; BOUNDARY</b>	<b>STATUTORY AUDIT</b>
The report covers financial and non-financial information and activities of the Company and its subsidiaries during the period April 1, 2021 to March 31, 2022.	The report's financial figures are audited by M. B. Agrawal & Co. Company's non-financial information presented in the report has been reviewed internally by the management.



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# CORPORATE INFORMATION

## REGISTERED OFFICE

506, 5th Floor, Imperial Palace,  
45 Telly Park Road,  
Andheri (East), Mumbai,  
Maharashtra, 400069

## MANUFACTURING FACILITIES

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

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

## BANKERS

Union Bank of India

## AUDITORS

**M/s M B AGRAWAL & CO.**  
Chartered Accountants

## REGISTRAR AND SHARE TRANSFER AGENTS

M/s Skyline Financial Services Pvt. Ltd.

A/505 Dattani Plaza A K Road, Safed Pool,  
Andheri (East) Mumbai 400072

## BOARD OF DIRECTORS

**Mr. Jaspalsingh Chandock**  
Chairman & Managing Director

**Mr. Trimaan Chandock**  
Executive Director

**Mr. Jaikaran Chandock**  
Executive Director

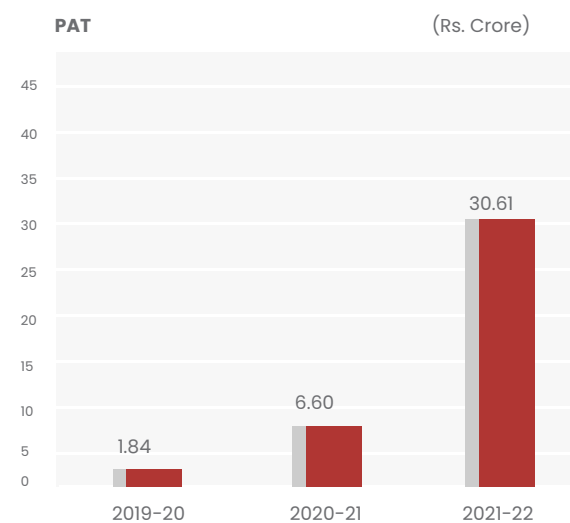
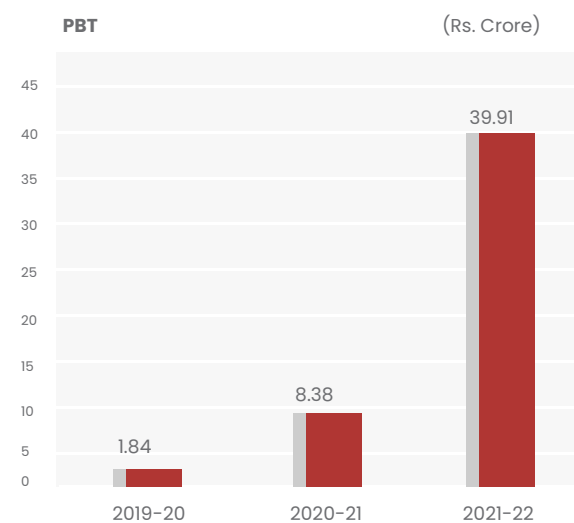
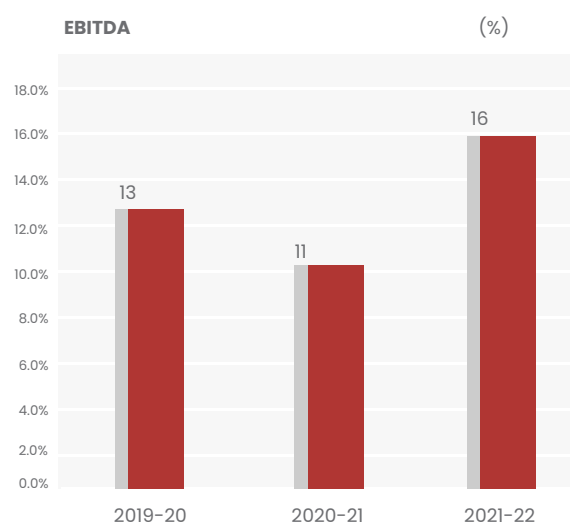
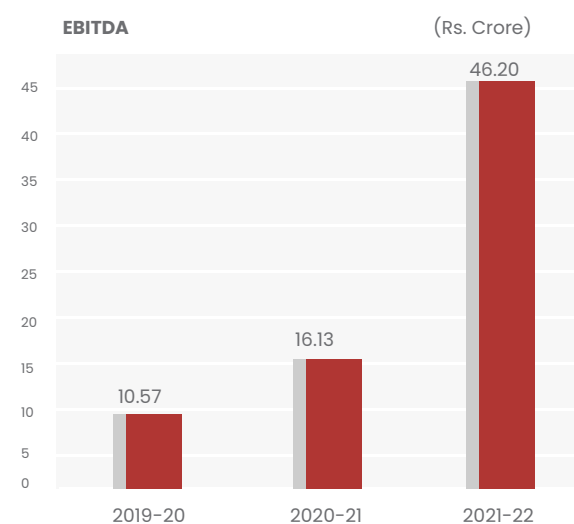
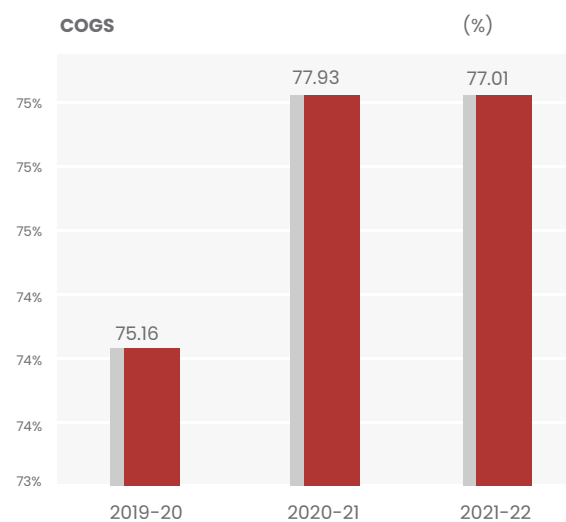
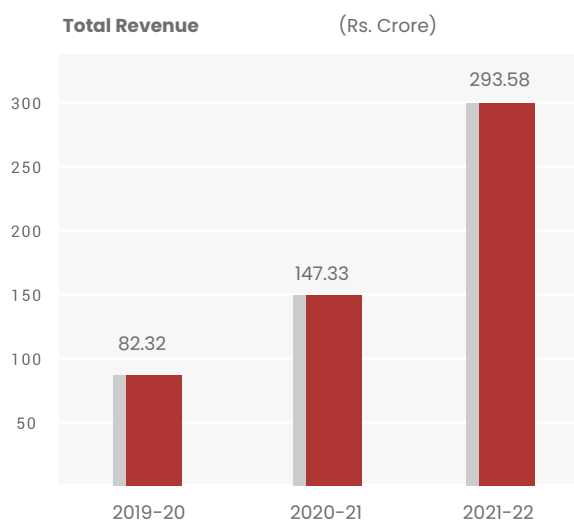
**Mr. Raghvendra Raj Mehta**  
New Independent Director

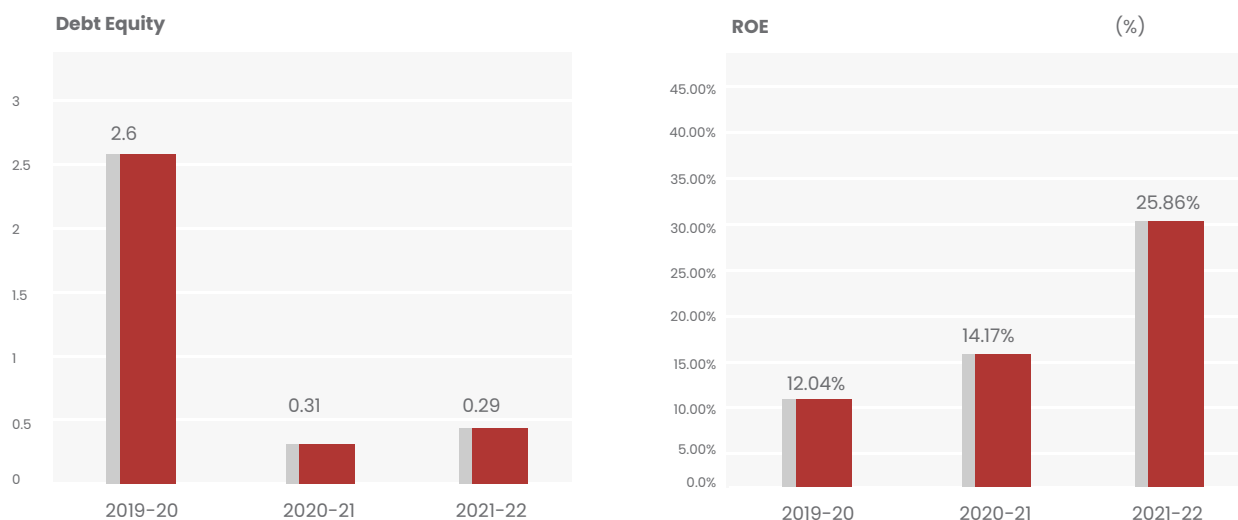
**Mr. Radhey Shyam Soni**  
New Independent Director

**Ms. Shalu Bhandari**  
New Independent Director

**Mr. Mitesh Dani**  
CFO

**Mr. Aakash Joshi**  
Company Secretary



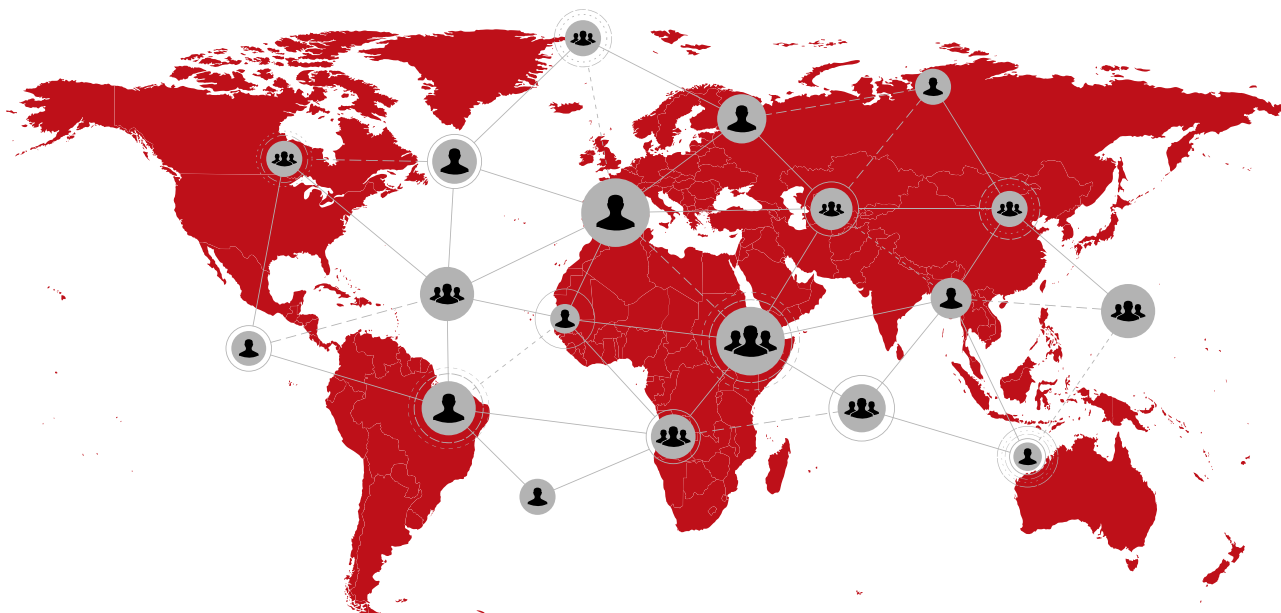


**Note:**

During FY'21, Amaze Entertech Limited ("the Company") vide Business Succession Agreement dated 3 August, 2020 agreed to acquire the business of M/s Balu India, a sole proprietary concern. The name of Amaze Entertech Limited ("the Company") has changed to Balu Forge Industries Limited. In order to make the financials results of 2019-20 comparative, we have combined the financials results of Amaze Entertech Limited and M/s Balu India, a sole proprietary concern.



# COUNTRIES SERVED...



## DISTRIBUTION NETWORK IN OVER 80 COUNTRIES



# HIGHLIGHTS OF THE YEAR

## BACKWARD INTEGRATION

Balu Forge Industries Limited successfully executed a lease agreement with Hilton Metal Forging Ltd. which has enabled your company to backward integrate from a precision machining player to a Forging & Machining player under one roof. This has led to cost savings & product expansion for The Company which have opened new revenue streams & positively impacted the Bottom line for the company. In reference to revenue streams, the Company has successfully entered the Oil & Gas Sector, initiated supplies to the Railways Industry & added a number of components for the auto ancillary sector. The company will further continue to broaden the horizon & explore a new product range as per its underlying philosophy to have a sector, product & geographically agnostic approach which help negate multiple risks arising from disruption.

## DEVELOPMENT & SUPPLY OF COMPONENTS FOR THE NEW MOBILITY SPHERE

Securing of Orders for BLDC & PMSM Motors for the two industry majors in the far east & western Europe. The Company has recently launched a line of motors suitable for the New Generation Two Wheelers, Three Wheelers & will shortly introduce proprietary solutions for Four Wheelers & Commercial Vehicles as well. The company will have a dedicated unit for serial manufacturing of these solutions which will be situated in Belgaum, Karnataka. We have received a strong response from our industry partners for our Indigenously Developed BLDC Motor & a number of solutions are under development for our partners globally. The company now has a comprehensive R&D Team & centre working on a plethora of solutions for the New Energy Sector. Your company believes that this is the right time to implement our go-to-market strategy under the New Energy Subsidiary, Naya Energy Works (N.E.W). The company aims to be a dominant force in this New Era of Mobility & the new offering will range from BLDC Motors, PMSMs, ACIMs & Yokeless Flux Motors. The company is working closely with our partners globally to build customized solutions better suited to each market & industry.

## ACQUISITION OF THE MERCEDES BENZ TRUCK PLANT

Successful acquisition & installation of the precision machining unit of the Mercedes Benz Truck Plant from Mannheim, Germany. The company successfully acquired, imported & installed a part of the Precision Machining in the new machining facilities of the Company in Belgaum, Karnataka & will cement the company's position as a leading precision player throughout the globe. This expansion has enabled the Company to produce crankshafts & other precision machined components for Original Equipment Manufacturers in the Class 7 & Class 8 Trucks & Heavy Duty Vehicle category. This adds your company to a very niche club of global producers possessing this capability. The highlight of the said acquisition is the presence of more than 10 CBN grinders most of which are from the world renowned machine producer, 'Junker'. These machines are some of the highest quality & foremost in this machining category. In India there is no other manufacturer to possess over 10 CBN grinders which puts BFIL in a very special category in respect to its peers.

## SUPPLIES TO THE DEFENCE INDUSTRY

Balu Forge Industries Limited has developed & successfully supplied over 10 new products & components to Defence Industry in this financial year. The Indian government has given great impetus to domestic factories to take part in defence production. A large part of the procurement program has also moved to the private sector with a considerable investment made by the Indian industry to support the Indian defence production. The government had also in 2020 barred a majority of import procurement by the defence companies giving a further rise to home grown companies actively participating in the Indian defence sector. There has been a strong focus at BFIL towards readiness for the needs of India as well as Global Defence Organizations. The company is already an approved vendor to a majority of the 41 ordinance factories in India & over 185 different components. The company has also allocated large part of the capital investment for the next 10 years towards Defence production with also key Joint ventures/Technology partnerships in the pipeline. The key areas planned in the coming years are Artillery, undercarriage parts for Armoured vehicles, weapons & Ammunition for light & Heavy Infantry and forged & Machined components for the Engine Division. Your company has also secured & successfully supplied for over 5 years to Defence forces in two prominent European Countries and executed supply as a single source to these nations. There will continue to be a strong focus on further expanding the reach & customer base amongst more defence organization globally.

## SUPPLIES TO THE RAILWAY INDUSTRY

Expansion into Railway Wheels, Axles & Wheel Sets BFIL has evolved to produce a wide range of wheels, axles & wheel sets to meet the needs of the Global Railway Industry. Hence further contributing sustainably to the Indian government's Make in India initiative. The company is one of the few fully integrated businesses, producing wheels, axles & wheel sets all under one roof. The Company in this financial year developed an experienced railway vehicle design & development team to serve our patrons with prompt, high-quality & end to end solutions. BFIL can now meets the bulk requirements for Locomotives, Passenger, Freight vehicles & other coaching vehicles in terms of wheels, axles & wheel sets. The company can now produce high-quality wheel sets for clients all over the world with a production capacity of about 48,000 wheels per year with a diverse application suitable for railway wagons, passenger coaches & locomotives in various gauges.

## LAID THE STONE FOR ASSEMBLY OF SHORT/HALF ENGINES

A niche offering to a very specific & large customer base was initiated this year. The Half Engine also known as the Short Block Engine is a Semi Assembled Engine. The company has developed a very niche expertise for this offering that routes from experience over three decades in the field on precision engineering. The Market Opportunity exists through each Agricultural Equipment (Tractor), Heavy Duty (Truck) & Power Generation (Generators) application in the Aftermarket. The company aim to leverage the use of our existing Distribution Network & push the said offering through each of our distributors. The Half Engines offer the replacement market globally a plug & play solution through a number of Tractor & Heavy-Duty Applications. The Company has initiated supplies of Half Engines to over 8 Countries in Africa & the Middle East. These applications are presently assembled in our facilities in the United Arab Emirates & India. We aim to establish a one stop solution to further strengthen the Aftermarket Strength through our distribution network.

**MEET OUR LEADER'S**





**MR. JASPALSINGH CHANDOCK**

**Chairman & Managing Director**

A Mumbai based 2<sup>nd</sup> generation entrepreneur with decades of experience investments in a vast sphere of industries. The Foundation for Balu India was laid by Mr Jaspal Singh Chandock under the guidance of late Mr. Prehlad Singh Chandock the entity has risen to new heights with a consistent year on year growth. The manufacturing of engine components has always been core to the vision for Mr Jaspal Singh, presence in over 80 countries has led to the establishment of global brand strong in its values and integrity. His foresight and strategic skills have enabled Balu Forge Industries Limited to become a leading brand in the forging industry. His ability to gauge future trends and industry requirements saw the successful launches of a variety of innovative products. His quest for providing the best quality products, innovative designs and finishes, has made Balu Forge Industries Limited, the leader in the forging industry. Mr. Jaspalsingh Chandock is primarily guiding the company to grow with his enriched experience and technical expertise.

A young dynamic leader with a MSc and BSc in Management studied from H. R. College, Mumbai, 3rd generation entrepreneur who joined Balu in 2009. A visionary with a keen interest in innovation in the field of manufacturing. Balu Forge Industries Limited has had incremental innovation in the core of its practices since the joining of Mr. Trimaan Chandock. The introduction of the same led to greater productivity, flexibility speed in the manufacturing plants. The shift to the OEM business had been undertaken after the achievement of the TS 16949 status under the leadership of Mr Trimaan Chandock. Mr. Trimaan Chandock is spearheading the sales function by achieving unprecedented uptrends with his enormous experience and knowledge as well as Sales and Marketing skills. Under his leadership, Balu Forge Industries Limited is currently operating as Export Oriented and supplying to more than 80 countries.



**MR. TRIMAAN J. CHANDOCK**

**Executive Director**



**MR. JAIKARAN J. CHANDOCK**

**Executive Director**

The youngest who joined the business in 2014 after completion of BSc in Business Management from Cass Business School, London and MSc in Strategic Marketing from Imperial College, London. He has had previous experience in MNCs such as Reeves Njoy E cigs a notable achievement at the college level was that he was crowned the winner of an Entrepreneurship challenge amongst 50000 participants. As entrepreneurship runs in the family, the addition has led to application of new technology in the company further diversification into manufacturing of different engine parts from the diesel engine family. The recent setup of the R&D facility under his vision has set a base laid the path of the company for the future. Mr. Jaikaran Chandock is leading the R&D new product development team and new ventures/initiatives of the Balu Forge Industries Limited.

# MESSAGE FROM THE CHAIRMAN



## We are Committed to Sustainable Growth

### Dear Shareholders,

It is my pleasure to write to the stakeholders to present the company's performance in FY 2021-22. It has been a very difficult time for humanity especially the past two years. The impact of the pandemic continues to affect various parts of the world, there is a global supply chain disruption & multiple geo political conflicts that rage on. It has created a very volatile & uncertain situation for the global business environment. Despite of this uncertain global business environment, the Indian Growth story continues to surprise many an economist around the world. It is almost like there is no uncertainty which routes from the strong leadership at the centre in India & stability in the economic practices. This has further lead to many companies like ours to benefit despite of the what is going on around the world.

Some say there is always an opportunity in adversity & this what India has gained from because of the China plus one

story. There has been a surge in companies that were sourcing from China to establish their sourcing channels here in India. This is almost like a revolution has started which has put India in a very interesting position & will help its growth story surge many fold in the coming two decades. There have been multiple disruptions in the supply chain from Raw Material to Semi-Conductor shortage. This has impacted many majors around the world. Our strength in its diversified product, industry & geography strategy has ensure the impact of the supply chain disruption was negated to a large extent. Further due to larger exposures to Power Generation & Agricultural industry has ensured a growth in our production & top line.

We initiated supplies to the Railways & Defence industries which further expanded our product mix. The company has also introduced a number of global mobility majors to its customer portfolio in this year. There are a number of new products in development for our OEM partners & the positive outcome will be seen in our FY 23 numbers.

For the FY 22, the Company saw massive improvements in PAT and revenues saw a multifold jump. The revenues zoomed 99% YoY to Rs. 29358.42 Lakhs (FY22) from Rs. 14733.29 Lakhs (FY21) and the Company saw a 300% jump in PAT (YoY), which rose to Rs. 3043.91 Lakhs (FY22).

We are also in the process of completing the commissioning of the precision machining line of the Mercedes Benz Truck Factory which was recently acquired from Mannheim, Germany. This has enabled the company to further extend the expanse of the product portfolio & capability to a much larger customer base in the Class 7 & Class 8 C.V category.

The company has successfully completed state of the art & one of kind lease cum acquisition agreements for backward integration. This will help the company to further broaden the horizon & explore a new product range as per its underlying philosophy to have a sector, product & geographically agnostic approach which helps negate multiple risks arising from disruption. This will also help in cost optimisation by reducing our cost of raw material processing & Forging the raw material.

I want to summarise of some our key financial achievements in the past fiscal for our stakeholders to understand how far your company has come & also a sense of the underlying ambition we hold. This year has seen particularly a jump in both the Top Line & Bottom Line and this has been because of many projects that the Company has been working on over the past 4-5 Years. We have added a new dimension to our NPD process & with recent acquisitions & expansions, our customer & industry portfolio has broadened exponentially

We are company with over three decades of legacy but we are young with our ambition & this is credited to our entire BFIL family as each member of our global community strives each day to build a company that we all can be truly product of. For us the driver & motivation is not only financial milestones but this past fiscal we have achieved milestones that are our truly close to me, adding sustainability to the core of our activities. Our goal of being Carbon Neutral by 2030 is the driving force & we also joined the United Nation Compact Program in the past year to accelerate our vision. We are working towards balancing our product portfolio through both the conventional automotive sphere & build dominance at the same time in ever growing, New Energy Sphere. Our aim is not to be just the best in the precision machining, heavy engineering or metal forming sphere but build a global powerhouse with sustainability at its core. Today with the global climate change crisis, it is to think beyond the top line or bottom line but to have ESG & Sustainability at the core of each of the company's activities.

I would like to finish by saying that we are very confident of a stronger performance over the coming fiscals with a well-diversified & overall growth. I would like to also thank all the stakeholders & shareholders in putting their faith & having confidence in our journey.

Best Regards,

**Jaspal Singh Chandock**  
**Chairman & Managing Director**



# KEY TO SUCCESS

Balu Forge Industries Limited aims to enhance and grow its 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.

While pursuing the above, we will ensure that we establish a robust management system so as to enhance customer's experience in dealing with us, satisfaction of all stakeholders and due consideration to the environment.



**HIGH-END**  
TECHNOLOGY



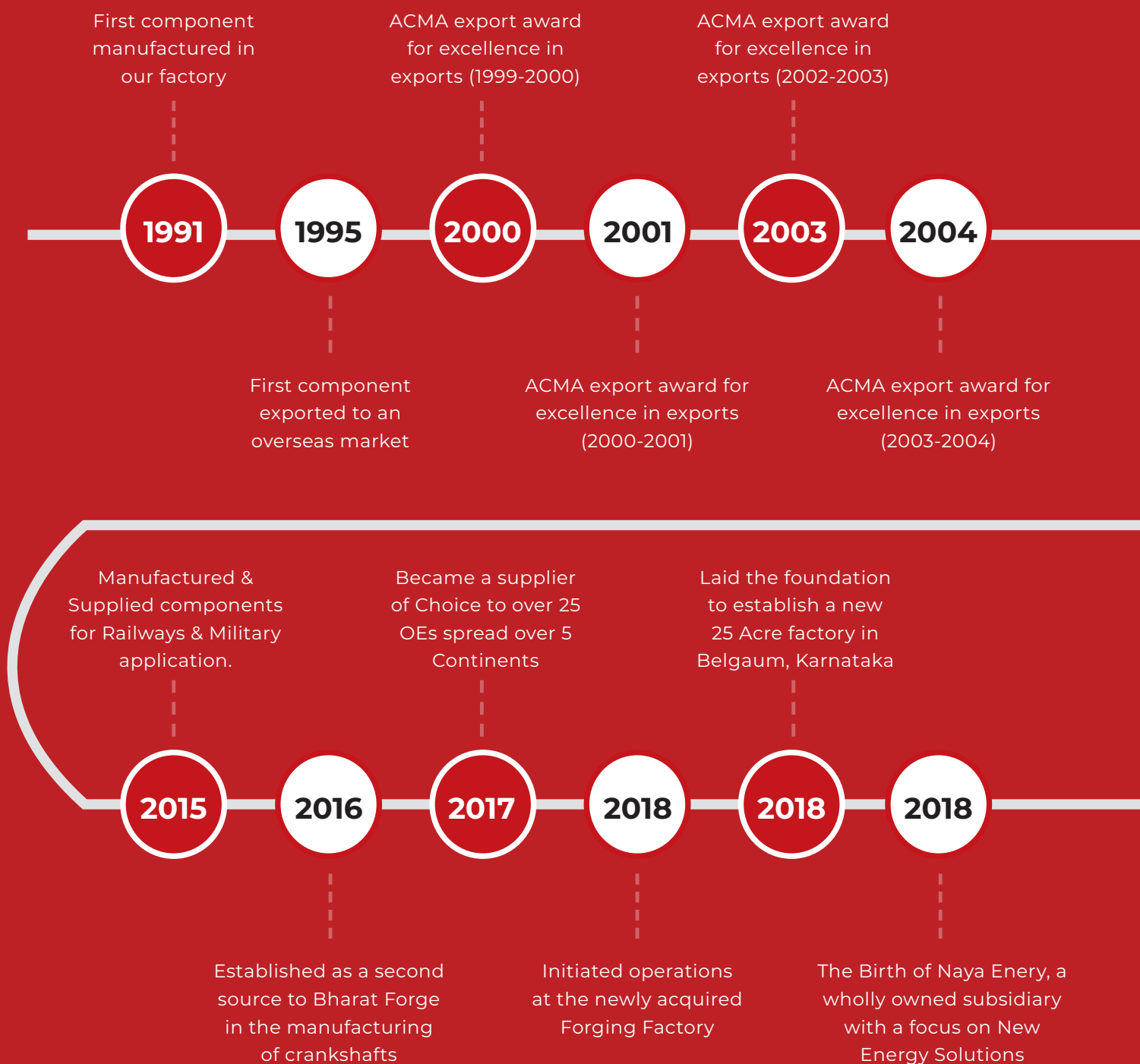
**SHORTEST**  
LEAD TIME



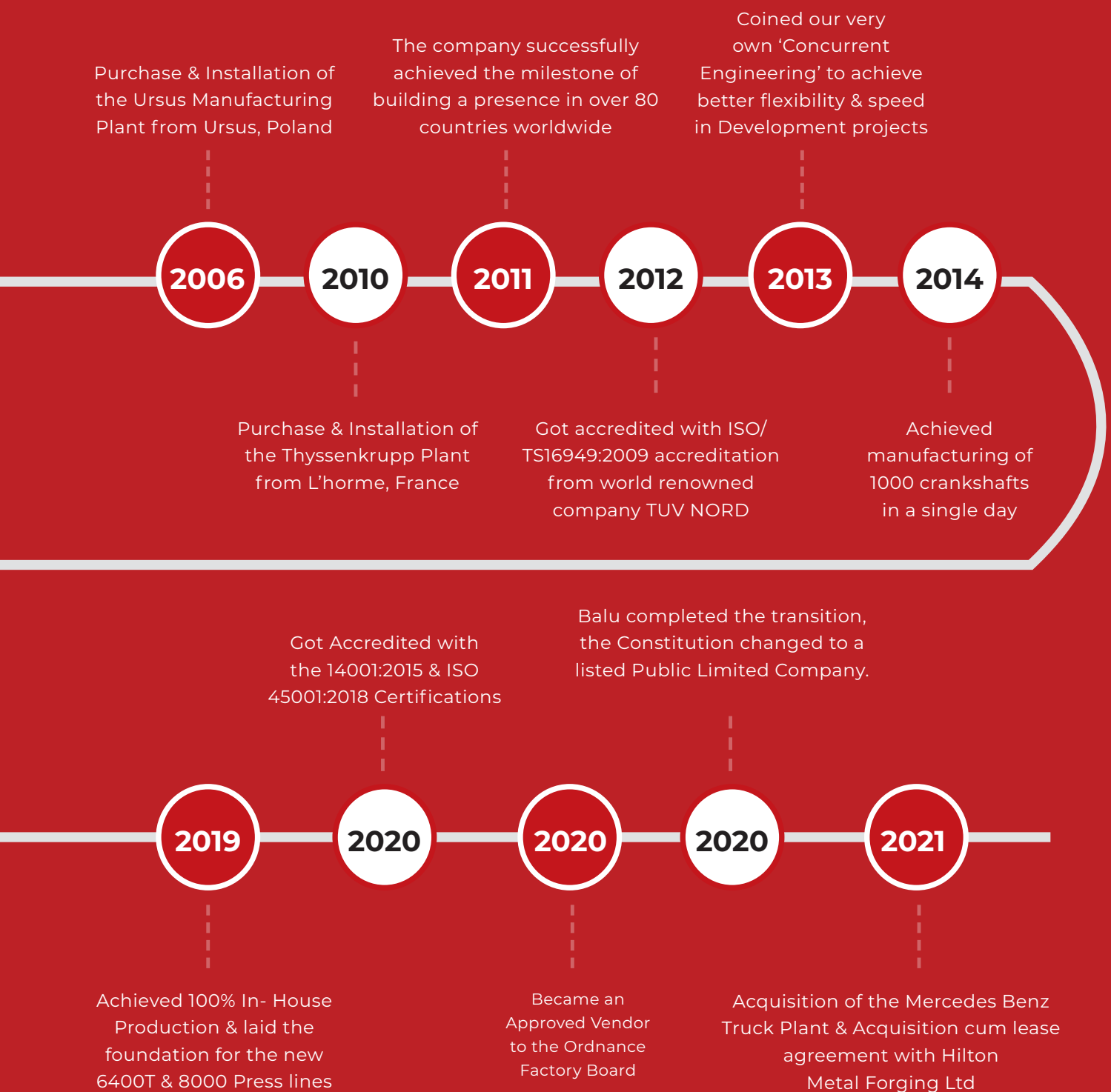
**30,000**  
CRANKSHAFTS  
PER MONTH



# COMPANY HISTORY & KEY MILESTONES



*It has been a long journey & over three generations of the Balu Family have worked to build a truly global enterprise. But we have only just started & endeavor to become one of the largest Precision Engineering & Metal Forming Company in the world. We have also adapted to the changing times & enhanced our product portfolio to meet both the needs of both the Conventional ICE Applications & the New Energy Vehicles.*



# CULTURE

## Unifying Capability of the Organization

### **Respect**

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

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### **Honesty**

We are genuine and open in our communication and business practices.

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### **Commitment to Quality**

We deliver products that exceed our customer's expectations.

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### **Growth**

We invest in personal and professional development.

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### **Creativity**

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

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### **Team-work**

We work together towards a shared goal.

# WHO WE ARE

**We have become a name symbolizing quality & excellence in the field of crankshaft manufacturing & precision machining since 1989.**

Balu Forge Industries Limited have become a name symbolising quality & excellence in the field of precision engineering since our inception in 1989. Our in-house capability & state of the art automotive engineering enables us to manufacture in a large range of applications suitable for Agriculture: Tractors, Harvesters | Heavy Duty: Trucks, Buses, Trailers | Automotive | Generators: Industrial, Standby, Home backup, Portable | Oil & Gas: Pumps & Compressors | Refrigeration: Compressor | Industrial | Off Road & On Road: Motorcycles, Carts, Jet Skis | High Performance: Racing Series | Locomotive | Marine | Aerospace.

We have developed a very extensive range of components for leading Original Equipment Manufacturers within India and the rest of the world & have established a strong aftermarket presence in over 80 countries. The ISO/TS16949:2009 accreditation of our units in 2012 by TUV Nord Cert Gmbh added to our competitive edge making Balu one of the very few companies to have this accreditation in the field of manufacturing crankshafts.

Balu is now an avant-garde manufacturer of fully finished and semi-finished forged crankshafts and other Forged Components. Our incremental innovation & continuous strive to improve has awarded us by making us the only company to have the capability to manufacture components conforming to the New Emission Regulations & the New Energy Vehicles.

We have continually strived to broaden our manufacturing base and with the acquisition of the state of the art production lines from Poland in the year 2006, from France in the year 2010 and as recently as 2021 acquisition of the Mercedes Benz Truck Plant from Germany. Our capability has expanded to produce crankshafts up to 3 meters in length and our installed capacity has increased to 30,000 fully finished crankshafts per month.

# CORE COMPETENCY

Unifying Capability of the Organization The Core Competencies which distinguish Balu from its competitors & the pillars which have ensured the building of a strong brand worldwide.

Complete CNC manufacturing capability

30 years of experience in Precision Engineering

Diversified Product Portfolio & Applications

Company of choice for OEMs

State of the Art Manufacturing set up

In-house tool room

In-house Metallurgical lab

Dedicated R&D Facility

Strong Emphasis on New Energy Vehicle & Components

All machining & forging operations in-house

Well established brand worldwide

Fully Integrated Plant

Highly skilled workforce

In-house capability to manufacture a product from 2 Kgs to 500 Kgs & upto 3 Meters long.

Supply base comprising over 25 OEMs both in India & overseas.





# **SUSTAINABLE GROWTH TOWARDS A GREENER FUTURE**

Balu Forge Industries Limited understands that the societal challenges we are facing require a pace to change and innovation that can only be achieved by working together across sectors and industries. Our motive to engage and collaborate goes beyond economic, social and environmental responsibility. We want to create lasting value for all our stakeholders by building partnership across the value chain.



## Environmental

The Company is committed to preserving & conservation of the environment as a step towards creation of a 'green factory' in harmony with the local area, an important part of our environmental policy. As part of our environmental management system, the Company is carrying out an internal audit as well as regular external audits to strive to increase the environmental awareness of our staff. The Company share the concerns of governments and the public about the risks of climate change and supports global efforts to mitigate its impact. The Company is committed to contributing to a reduced carbon future. The Company demonstrate this in many ways including through our significant progress in reducing greenhouse gas (GHG) emissions from our operations and our continued investment in new products, technologies and services to help our customers achieve their climate-related objectives as they build a better, more sustainable world. The Company is focused on achieving our climate-related goals while also supporting our customers in achieving their climate-related objectives. The Company have a legacy of providing products and services that continually improve the quality of the environment and our communities by fulfilling society's basic needs such as shelter, clean water, education and reliable energy—in a sustainable way. The Company acknowledges the importance of helping to protect and preserve our natural world to mitigating or minimizing the environmental impact of our own operations, and to using the influence the Company have within our own company and among our partners to encourage green, sustainable business practices.





In terms of our own operations, the Company is into a energy-intensive business, But still, the Company is committed for reducing its own operational carbon emissions. Climate change is a complex issue and the world cannot currently meet its energy needs through purely green technologies. We believe in promoting preparedness through diverse energy products. This mainly includes the development of new products lower-carbon, as well as fossil fuel energy products.

The Company is engaging in implementing a strong & sustainable waste management system as part of our environmental policy to minimise our environmental footprint and to optimise resources through energy-saving and efficiency measures; the Company is also working on a proprietary technology, NayaRefine to deliver ultra-pure lead while reducing the Environmental footprint related to Lead Production.

## Energy, Fuel Economy & Emissions

The Company manages its facilities are energy-intensive. To mitigate our impact, The Company is improving energy efficiency, investing in alternative and renewable power generation sources, and making other environmental improvements to conserve water and manage waste. The Company is engaging in implementing a strong & sustainable waste management system as part of our environmental policy to minimise our environmental footprint and to optimise resources through energy-saving and efficiency measures.

The Company has initiated various initiatives towards energy efficiency. The Company focusses on energy efficiency through process optimization initiatives such as Energy Conservation (by Technology Adoption, Technology Upgradation & Process Modification) and Energy Management (by Process Monitoring & Pricing/ Fuel Selection); The Company is also working on Hydrogen Fueling Stations & our pilot project is presently underway to establish the first Hydrogen Fueling Stations for fuel cell vehicles. The Company have successfully removed the hindrance largely associated with Hydrogen Storage & this can now benefit a large fueling opportunity, The Company wish to spearhead in this segment as one of the early movers to prepare the ecosystem for the New Energy Revolution. This includes electrolyzers & onsite Hydrogen Storage.

Our management team builds awareness, encourages action and develops improvements in energy efficiency and alternative/renewable power generation. These solutions include purchasing renewable energy certificates and installing renewable energy sources.

## Supporting our Customers

The Company is conscious of the environmental impacts caused during production and product lifecycle and continually trying to reduce such impacts. By incorporating environmental and social concerns into the product design philosophy, The Company have generated the economic value which is derived from optimize use of natural resources, process innovation lead by its skilled employees and practicing Lean manufacturing.

The Company is contributing to a reduced-carbon future through our continued investment in new products, technologies and services. We are helping our customers achieve their climate-related goals by providing products that facilitate fuel transition, increased operational efficiency and reduced emissions. Fatigue/Durability Testing determines the convenience of metal material's mechanical feature. The Company use both In-house & outsourced equipment to conduct fatigue tests as per customer requirement. The equipment used to carry out the fatigue test is a pulsator

& an electrodynamic shaker. The Company target & commit to meet customer expectations with uncompromising quality standards, flexibility, reliability and willingness to innovate. The Company believe in setting the highest standard for every customer's journey resulting in a high customer life-cycle value & 100% Customer retention; An excellent & efficient after Sales Service to the customer ensures customer satisfaction & very high customer retention; The Company ensure there is a warranty management system in place to ensure any customer's request in reference to a warranty claim; The Company believe that a Swift Response time is key to the After Sales service initiative to ensure the customer receives prompt feedback to any query or question raised; The Company has strive to offer end to end solutions to its customers and with the present infrastructure capability & strong financial support, the company has ventured into manufacturing other engine components for specific customers on 'Made to Order' (MTO) basis.

The Company have inculcated a culture of 'Quality First' throughout the organisation to ensure that we can deliver to our promise & the part quality expected by our patrons & partners globally; Quality, service and commitment is the primary objective of our company. The Company provide answers and solutions quickly, efficiently and competitively, providing our customers with the necessary facilities and advantages for their activity. The Company also focus on customer satisfaction in every aspect. In other words, from product development, through production, packaging and transport, incorporating streamlined and customised management of orders, sales and a direct relationship with customers.

## Social

The people of Balu Forge Industries Limited include over 100 diverse employees. Our Values in Action define what we stand for and how we conduct ourselves with our customers, partners, and one another. Our employees do work that matters. In turn, the Company provides a positive work environment by continually strengthening our safety culture, supporting all aspects of health, and offering challenging and meaningful work. We attract, hire and develop people with diverse perspectives and strive for an inclusive culture where everyone can do their best work. We believe this is fundamental to our company's success.



We have identified the underprivileged communities in and around its plants, business locations. We conduct various activities, which upholds its philosophy and values towards underprivileged communities and serving the wider interests of society. This helps in social and economic development of the communities.

The health and safety of our employees is an important focus. Safety is forefront in our strategic goals and metrics, with visible commitment and support by leadership. In addition to metrics, the Company believes the best way to drive a culture of safety excellence is to create an environment where our team is accountable for their own safety, as well as the safety of those around them. The Company relentlessly strives to ensure our workforce returns home safely every day.

Our production employees are an essential part of the safety process and often suggest innovative solutions to enhance safety in the workplace. Some recent efforts focused on newly hired employees.

The team also improved their on-the-job training to better educate new hires on safety and preventative measures to avoid injuries. Experienced employees were assigned as dedicated trainers to each new hire to support their learning on the shop floor. This employee-focused program led to a reduction in near misses, turnover rates and even scrap costs.

## Talent Development & Training

The Company strives to continually attract, develop, engage and retain a high-performing and diverse global team. The Company is focused on attracting talented individuals from the widest talent pool possible. When employees join the Company, whether they are early career or experienced hires, they begin learning about our company values, culture and code of conduct on day one through a robust orientation program. The Company is intentional in providing opportunities to strengthen employees' skills and grow capabilities throughout their career. The Company also provides students with hands-on manufacturing experience to help develop skills and inspire them to pursue a career in manufacturing.

The Company is committed to helping people reach their full potential and by strengthening technical, professional and leadership skills at every level throughout their career, implementing peer to peer learning, job rotation etc. We offer high-impact learning opportunities that include skill-based programs, experiential learning.

Given the events of 2020, including a global pandemic and major social unrest, supporting the holistic well-being and productivity of our employees in a work-from-home environment was paramount. The Company offering employees access to live webinars, learning videos, employee stories and tip sheets to help them shift to a full-time, work from home schedule and to support employee mental and social well-being. We found creative ways to engage employees while they work and care for others at home.

The Company is committed to creating an inclusive workplace focused on attracting, retaining and developing diverse talent that fosters a culture of belonging for all employees. Through our colleagues, we learn how to better understand our clients, increase innovation, and reduce risk.

### Key development programs:

**Skills-based programs** to upskill our manufacturing employees are developed locally and tailored to the specific needs of the business.

**Our Rotational Development Program** allows early-career employees opportunities to work with new product introduction and continuous improvement, rotating between assignments and gaining foundational training, as well as coaching, mentoring, and professional development opportunities to grow both technical and leadership skills.

**Our executives continued to coach rising talent.** By leveraging remote, live-learning as the pandemic unfolded, they provided real-time insights to mid- to senior-level. These leaders learned firsthand how to tackle critical business challenges with agility, while building capabilities around a variety of topics including strategic thinking and building high- performing teams.



## Health and Wellness

The Company takes our management systems for occupational health and safety (OH&S) very seriously at our company. The members of our team are truly biggest assets & to inculcate a culture for their Health & Safety is our biggest priority. The Company's objective is to provide a comprehensive competitive package of benefits to enable company to attract and retain the best employees in the markets in which we operate without regard to age, gender, ethnicity, and background. Our benefits philosophy supports a holistic view of total benefits provided to employees that encompasses three broad categories:

**Protection:** BFIL intends to provide employees and their families with benefits coverage for everyday issues as well as unforeseen events. Where possible, these protection benefits should be integrated with social programs. Protection programs include the following: medical, dental and vision, life, disability, business travel accident benefits, and wellness programs.

**Market:** These benefits may include commonly offered plans in local markets such as: contribution to provident fund, gratuity, leave encashment towards unavailed leave, compensated absences, post-retirement medical benefits and other terminal benefits; Aliability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service

**BFIL Culture:** The Company strives to be a socially responsible employer and ensure the well-being of its employees around the world.



# Stakeholders Engagement



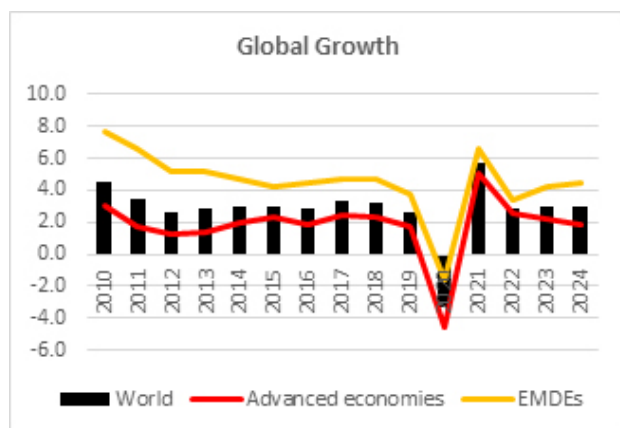
The Company work to engage in meaningful dialogue and close cooperation with our stakeholders, with the object of delineating its positions and policies, as well as of comprehending other perspectives. The Company defines stakeholders as those individuals and organizations that influence or are influenced by the company's business. The company aims to align its corporate activities with societal needs. The Company gathers and integrates stakeholder feedback into its operations to build trustworthy relationships. The Company is regularly engage with and respond to a wide range of stakeholders to set the priorities for value creation. To incorporate as many opinions as possible, the company provides various opportunities for dialogue with stakeholders and seeks to identify opportunities and risks in their early stages.

# MANAGEMENT DISCUSSION & ANALYSIS

## Global Economy

Following more than two years of pandemic, spillovers from the Russian Federation's invasion of Ukraine are set to sharply hasten the deceleration of global economic activity, which is now expected to slow to 2.9 percent in 2022. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial vulnerability, and heightening policy uncertainty.

Growth in emerging market and developing economies (EMDEs) this year has been downgraded to 3.4 percent, as negative spillovers from the invasion of Ukraine more than offset any near-term boost to some commodity exporters from higher energy prices. Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecast to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds—in particular, high commodity prices and continued monetary tightening—are expected to persist. Moreover, the outlook is subject to various downside risks, including intensifying geopolitical tensions, growing stagflationary headwinds, rising financial instability, continuing supply strains, and worsening food insecurity.



(Source: Global Economic Prospects - June 2022)

These risks underscore the importance of a forceful policy response. The global community needs to ramp up efforts to mitigate humanitarian crises caused by the war in Ukraine and conflict elsewhere and alleviate food insecurity, as well as expand vaccine access to ensure a durable end of the pandemic. Meanwhile, EMDE policy makers need to refrain from implementing export restrictions or price controls, which could end up magnifying the increase in commodity prices. With rising inflation, tightening financial conditions, and elevated debt levels sharply limiting policy space, spending can be reprioritized toward targeted relief for vulnerable households. Over the long run, policies will be required to reverse the damage inflicted by the dual shocks of the pandemic and the war on growth

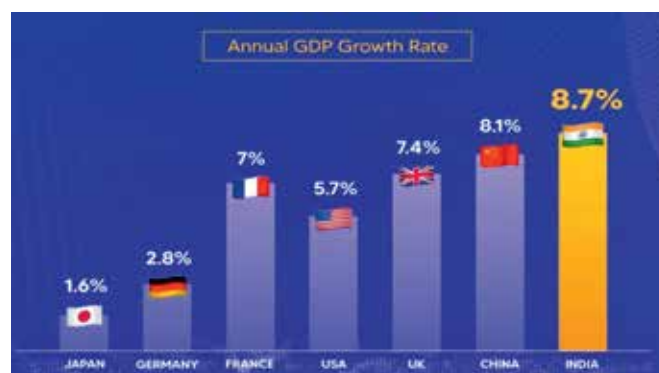
prospects, including preventing fragmentation in trade networks, improving education, and raising labor force participation.

The Russian Federation's invasion of Ukraine has significantly accelerated the projected slowdown in global growth. Forecasts for most economies have been downgraded for this year. Headwinds from the war are adding to large cumulative losses in output since the onset of the pandemic, particularly for commodity-importing emerging market and developing economies (EMDEs). Surging commodity prices have contributed to broadening price pressures, pushing inflation above central bank targets in the vast majority of inflation-targeting countries. For many EMDEs, adverse shocks from the pandemic and war have reversed the catch-up of per capita income with advanced economies.

## Indian Economy

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

- ✓ India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22.
- ✓ India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion.
- ✓ India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- ✓ According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.



Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution Mr. Piyush Goyal, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year.

Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal said that India will achieve exports worth US\$ 1 trillion by 2030.

India's electronic exports are expected to reach US\$ 300 billion by 2025-26. This will be nearly 40 times the FY2021-22 exports (till December 2021) of US\$ 67 billion.

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus of 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates for July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with the government's budget support to states, strengthened the overall growth of the Indian economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third-largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to a shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass the USA to become the second-largest economy in terms of purchasing power parity (PPP) by 2040, as per a report by PricewaterhouseCoopers.

### Global Automobile Industry

After a bleak 2019, which already saw a marked decline of almost 5% in world auto production (down to less than 92.2 million cars, trucks and buses) and which ended 10 years of growth, the world auto industry faced a new, unprecedented challenge in 2020 due to the COVID pandemic. With shutdowns of a large part of the auto industry and its many suppliers around the world during several weeks, 2020 marked the worst crisis ever to impact the automotive industry, a key sector of the world economy.

The collected data show a 16% decline of the 2020 production, to less than 78 million vehicles, which is equivalent to 2010's sales levels.

Europe as a whole saw a drop of more than 21% on average. All main producing countries had sharp declines, ranging from 11% to almost 40%. Europe represented an almost 22% share of the global production.

In America, the 2020 production of 15.7 million units represented a 20% share of the global production. The NAFTA

region saw production declining by more than 20%, with U.S. manufacturing declining by 19%. South America dropped by more than 30%, with Brazil down by almost 32%.

The African continent also declined sharply, by more than 35%.

Meanwhile Asia resisted reasonably well, with a decline of only 10%. In particular, China, which was hit hard in 2020's first months, recovered very quickly; all in all, the Chinese reduction in production has been limited to only 2%. Asia remains by far the world's largest producing region, with 57% share of global production.

The 2020 sales trend shows a similar decline, but the last few months of 2020 globally showed a gradual recovery to the levels of 2019, such that the final results are clearly better than the originally expected decline of 20% or more". There are however marked differences, with sharp declines of more than 20% or even 30% in most major markets, except for China (-2%) and South Korea which increased by 6%; also the Turkish market performed extremely well, after 2 years of very strong declines in 2018 and 2019.

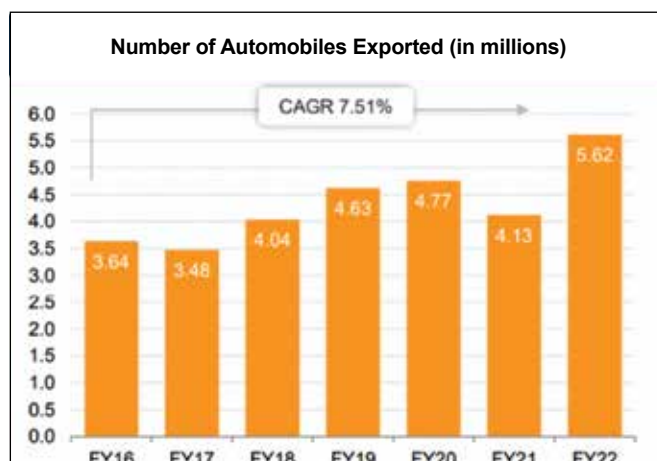
Demand for mobility for persons and goods is expected to remain high. But it is equally clear that the demand for mobility is not the same as in the past: the auto industry is facing up many challenges at the same time besides the need to recover economically, such as ever cleaner products and their production, ever safer vehicles, connectivity, automation, Vehicle manufacturers and their vast supplier networks are taking up all these challenges and will continue to shape the future of clean and sustainable mobility." (Source: International Organization of Motor Vehicle Manufacturers OICA )

### Indian Automobile foundation

In 2020, India was the fifth-largest auto market, with ~3.49 million units combined sold in the passenger and commercial vehicles categories. It was the seventh largest manufacturer of commercial vehicles in 2019.

The two wheelers segment dominate the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market is expected to make India a leader in the two-wheeler and four-wheeler market in the world by 2020.



## Market Size

The India passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027, while registering a CAGR of over 9% between 2022-27.

The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025.

According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US\$ 50 billion) by 2030. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for the EV battery market is expected to expand at a CAGR of 30% during the same period.

## Industries Served

We serve a large array of Industries across 6 Continents. This enable us to have a well-diversified product & Geographical Product Portfolio.

The Company serves customers across the following industries & applications:



## Product Overview



## Investments

To keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry attracted Foreign Direct Investment equity inflow (FDI) worth US\$ 32.84 billion between April 2000-March 2022, accounting for 6% of the total equity FDI during the period.

## Government Initiatives

The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route.

We have the capability to Forge any Components via the Closed Die Production Route & offer the same as Raw Forged, Semi Finished, Fully Finished & Fully Assembled. We offer a range of Precision Machining Options & each process is tailored to the component in Production.

Our Core Competency is Precision Machining & with over 3 decades of Machining Experience through an array of products & industries.

We are extensively conducting a strong R&D on usage of Aluminum Alloy which will assist the New Energy Vehicles offering light Weight solutions. There is also a solution being worked on for Titanium Alloy to offer solutions for Aerospace applications.

We have been supplying high-quality crankshafts for over 25 years. Our customers include some of the most renowned suppliers and manufacturers of prototypes, high performance vehicles, commercial vehicles, off-highway vehicles, ships and locomotives.

Supply Capability	Raw Forged, Semi Finished, Fully Finished or Assembled	Raw Forged, Semi Finished, Fully Finished
Product	<ul style="list-style-type: none"> <li>• Crankshafts (Key &amp; Core Component)</li> <li>• Under Carriage: Track Shoe, Track Link, Track Roller, Carrie Roller, Sprocket, Track Chain, Idler</li> <li>• Chassis: Front Axle Beams, Steering Knuckles, Control Arm, Fork, Steering</li> </ul>	<ul style="list-style-type: none"> <li>• Transmission &amp; Clutches: Drive Shafts, Input &amp; Output Shafts, Main Shafts, Yokes</li> <li>• Turbine Blades</li> <li>• Oil, Gas &amp; Flow Control: Stainless Steel Flanges, Valve Components, Stub Ends, Forged &amp; Hydraulic Fittings</li> <li>• Hydraulic Motors: Rotor, track, body and piston of brakes</li> <li>• Brake Parts: Hub, Brake Flange, Disc, Caliper</li> <li>• Hooks: Sorting, Snap, Shank, Ramshorn Lifting Hooks</li> <li>• Towing Accessories: Swan necks, Flange Balls, Tow Bar Supply</li> </ul>

## Applications:

### Defence



The Indian Government has given a great Impetus to Domestic Factories to take part in Defense Production. A large part of the procurement program has also moved to the Private Sector with a considerable investment made by the Indian Industry to support the Indian Defense Production.

The Government has also in 2020 barred a majority of Import Procurement by the Defense Companies giving a further rise to Home Grown Companies actively participating in the Indian

Defense Sector. There has been a strong focus at Balu Forge towards readiness for the needs of India as well as Global Defense Organizations. Balu Forge is already an approved vendor to a majority of the 41 Ordnance Factories part of the Ordnance Factory Board in India.

A large part of the Capital Investment for the next 10 years is towards Defense Production with also key Joint Ventures/ Technology Partnerships in the Pipeline. The key areas planned in the coming years are Artillery, Undercarriage parts for Armored Vehicles, Weapons & Ammunition for Light & Heavy Infantry and Forged & Machined Components for the Engine Division.

There is a dedicated Unit planned for Ammunition Production in partnership with a prominent player in the Global Defense Production Mix.

Balu Forge has also secured & successfully supplied for over 5 years to Defense Forces in two prominent European Countries and executed supply as a single source to these nations. There will continue to be a strong focus on further expanding the reach & customer base amongst more Defense Organisations globally.

## E-Mobility



At Balu we endeavor to be ahead of the curve in the New Energy Vehicle Space with a clear emphasis & focus on Development of Efficient & Innovative Solutions for the New Energy Vehicle Sector.

We also have a Dedicated vertical, Naya with a clear focus on the Developments of the New Mobility World.

The New Era has moved from Conventional Mobility Solutions to a range of Potential Drivers for the Future may it be Hybrid/ BEV/ Hydrogen Powered Vehicles. It is imperative for an incumbent to have a well-defined strategy for the way ahead where the changing Landscape will offer a large number of Opportunities.

In one of the Oldest Industries in the world, the laggards are the Automotive Incumbents & due to the large Capex already incurred in the Conventional Automotive space, it is generally far more difficult to shift to the New Era that is in front of us.

We see this tipping point as the single largest opportunity available for our company where we have the right balance between the Conventional Automotive & the New Era which is in front of us

It is not only imperative for companies to stay relevant but also shift their focus from their Conventional Cash Cows to Large Growth & future stars.

The Larger drivers & key pillars are Light Weight & Efficient Solutions for the New Vehicle Architectures. Being a Company with decades of experience in Precision Machining & Metal Forming, we have used this to our advantage to offer a range of products for the New Energy Vehicles.

**Product Range:** Our Solution Ranges from a range from products in the through the Space of BEVs/PHEVs/Hydrogen Vehicles. The process involved conventional automotive excellence partnered with the incremental innovation to offer minimum weight, maximum load-bearing capacity, high reliability & overall cost-effectiveness.

## Service Spectrum

We have a Fully Integrated Forging & Machining Unit with a large product portfolio offering to our customers ranging from 1 Kg to 500 Kgs. The Forging Unit comprises Both Closed Die Forging Hammers & Presses.

This offering is spread over a large number of applications & Industries namely Automotive, Off Road & On Road Vehicles, High Performance Applications, Industrial, Heavy Duty, Oil & Gas, Marine, Defence, Railways, etc.

We have one of the largest capacities to manufacture Crankshafts & other Forged Components in the world. Our existing units can presently machine 360,000 units of crankshaft per year & this will shortly be upgraded to reach 720,000 units per year by the second half of 2021. Our Forging unit has the capacity to produce 5000 Tons per month & another 5000 Tons per month will be added from the second half of 2021.

## Research & Development Technology Centre



A state of the Art Dedicated R&D Centre is presently under construction which will spread over 8000 Square Meters & will serve as the backbone of our new direction. The R&D center will also house Naya Energy Work's R&D Division. The Key Areas of the R&D Division are as below:

- 1) Advanced Materials & Composites (Development of New Materials)
- 2) Fuel Cell Development
- 3) Cylindrical Cell & Module Development (LFP & NMC)
- 4) Metal Air Battery Development (Zinc Air)
- 5) New Energy Powertrain & Drivetrain solutions (New Vehicle Components)
- 6) Advanced & Additive Manufacturing
- 7) Energy Storage Solutions
- 8) Alternate Bio fuels
- 9) Spent Battery Recycling
- 10) Advance Defence systems & solutions

**Development of New Materials :** A number of new material chemistries have been worked on during the many R&D Projects to assess the material compositions & applications of newer metals. The New Energy Era has led to a number of opportunities & rise to newer applications of conventional metals with innovative manufacturing processes.

A number of key areas of R&D are as follow:

- Fatigue Analysis of Steels (Stainless steel alloys, Aluminium, Titanium, etc.)
- Durability & Analysis of Failure (Root Cause Analysis, etc.)
- New Raw Material Selection & Process Development
- Selection of Raw Material
- Modelling and simulation of Heat Treatment Processes

**Advanced & Additive Manufacturing:** We use a number of additive manufacturing methodologies for rapid prototyping & New Product Development. This ensures flexibility & Speed in the New Product Development process & ensures a rapid development of New Prototypes. The use of 3D scanning also adds efficiency & speeds up the entire design& development process. The In-house infrastructure for 3D scanning can measure up to 5 Million points in 2 seconds & 7-20 pm accuracy.

The Additive Manufacturing Centre also formulates a good foundation for our company's foray in the Aerospace Industry with a large product portfolio that now is possible by the Additive Manufacturing Methodology. 3D printing also is a key area as part of our In-house tool room strategy as key components from the manufacturing process can now be produced In-house in the 3D printing center.

#### State of the Art Machining:

The Machining Facilities are well supported with State-of-the-Art Infrastructure namely:

- Comprehensive In-House Tool Room
- Metallurgical Labs
- Design & Process Facilities
- Inspection & Tests Facilities

The R&D complements the above excellence by further enhancing the existing capability of our company. The Three Key Pillars that are now possible in the R&D Center:

#### New Product & Process Development:

Development of new material chemistries for the New Energy Era | Gear Manufacturing | Assembly Services & Testing

#### Technology Enhancement:

Ultrasonic Machining | High Speed Grinding | 4-Axis & 5-Axis Machining | Rapid Prototyping

Analysis:

Tool Wear Analysis | Fracture Analysis | Grain Deformation | Force & Temp | Durability & Fatigue | Cost Saving

#### Forging the Future:

All our facilities are being powered by renewable energy sources as part of our strategy to drastically reduce our carbon footprint.

There is a continuous focus in the below areas:

- Design and Development of new products and processes.
- Modelling and Simulation of Metal Forming processes.
- Deformation studies and associated metallurgical analysis of Alloys.
- Process improvements/ Cost optimization in Metal Forming Process.
- Product life assessment through Fatigue & Fracture studies.

A key focus is Aluminium as part of the light metals that have seen a surge in demand in the New Energy Vehicles.

#### Light-Weighting

New material compositions & light-weighting (Aluminium, etc.) of components has become an imperative focus area for automotive & Industrial companies to achieve their multifold goals sustainability, reliability & cost-efficient.

This is more in case of companies seeking to reduce emissions & developing machinery, equipment & mobility vehicles conforming to new emission norms.

We are aspiring & have set a clear target to be a holistic provider of complete-system light-weighting solutions. We work closely with our clients to imagine & reinvent the future of the industry and leverage our world-class R&D facilities towards converting conventional steel components and subsystems into aluminum, magnesium etc. without compromising on the metallurgical properties of strength.

This will help our clients to achieve their light-weighting targets with the same or even better system efficiencies. The opportunity lies in stricter CO2 emission regulation globally and the advent of electrification in the automotive industry is leading to an increase in usage of aluminum and other light-weight materials. We will continue to focus on development of structural parts for customers globally across automotive and industrial sectors. We intend to build an end-to-end & one-stop shop for all light-weighting requirements.

## Naya Energy Works (N.E.W)



### Fuelling A Sustainable Future with Hydrogen Fueling Stations Plan

Operations of Naya Energy will be under taken through the new energy vertical of Balu Forge Industries Ltd (BFIL). The new vertical will be divided into 6 key verticals in the New Energy sector:

#### a) Battery Division:

##### Market Size

The Addressable & market size is increasingly on the rise & is expected to expand many folds in the coming years. It has become a race to not only build capacity but to also continuously innovate in the Material Chemistries & typically the Cathode Materials. The applications known today may be redundant tomorrow with newer chemistries being explored by peers globally. The goal is not only to build a company to stay ahead of the curve but to also innovate new chemistries to ultimately reach the tipping point or the so called 'Holy Grail' in battery chemistries.

##### Application

The Use of Lithium Iron Phosphate (LFP) & Nickel Manganese Cobalt (NMC) already have a widespread usage in a number of applications spread over a number of industries. Our goal is to develop unique solutions for an increasing application to accelerate the adoption of BEVs across industries.

#### b) Ecosystem Building:

##### Wall mounted Chargers

We are working on a range of Charging Stations Conforming to Bharat EV AC Charger (BEVC-AC001) & Bharat EV DC Charger (BEVC-DC001) norms. We

have also developed a number of solutions as per the EU Regulations for Charging. This includes a product mix consisting of Fast & Super Chargers with a capability of charging at 350 KW. Our R&D team is working on further expanding this capability to make our charging stations suitable for Heavy Duty CVs up to a capacity of 1.2 MW. We have developed our very own application available on both the android & IOS platforms. These enables better monitoring for Micro Utility Companies/ Owners as well as Fleet/ Vehicle Owners It is imperative for any disruption to be complemented & supported by an ecosystem ready to support that revolution. We have highlighted an aggressive approach to build complete solutions to expand the network of Charging & Fuelling Stations. The key areas we are addressing at Naya is a network of Wall Mounted Chargers, Wireless Charging Stations & Hydrogen

#### Wireless Charging Stations

Our team is hard at work in building novel solutions for Wireless Charging Stations. We have signed a number of MOUs with local authorities in the region of India. There are a number of pilot projects in the works to offer wireless charging stations on National Highways suitable for both passenger vehicles & Heavy Duty Commercial Vehicles

#### Hydrogen Fuelling Stations

We are working on Hydrogen Fuelling Stations & our pilot project is presently underway to establish the first Hydrogen Fuelling Stations for fuel cell vehicles. We have successfully removed the hindrance largely associated with Hydrogen Storage & this can now benefit a large fuelling opportunity. With the ever increasing market share for fuel cell vehicles especially in the Heavy Duty Segment, a presence of Fuelling stations is equally important. We wish to spearhead in this segment as one of the early movers to prepare the ecosystem for the New Energy Revolution. This includes electrolyzers & onsite Hydrogen Storage.

#### c) Recycling Division:

We are working on a proprietary technology, NayaRefine to deliver ultra-pure lead while reducing the Environmental footprint related to Lead Production.

#### The Problem:

Lead Production is very polluting & it is imperative we keep up with the rising demand & at the same time we follow the strict Environmentally Friendly Parameters. Lead is a key component in over a billion electrical storage devices used across the globe including every car and truck, hybrid and electric vehicle. Lead based batteries provide backup power for hospitals, electrify

households and are the primary mode of energy storage for buildings & Data Centres. Over Ninety-six percent of all rechargeable batteries are lead-based but Lead is a finite resource & for this reason recycling is critical to keep pace with growing energy storage needs.

### Market Opportunity

Lead acid battery market expected to grow to \$85.5 B in 2025

- Lead batteries are the only 100% recyclable batteries available.
- 80% of the lead used to manufacture new batteries is recycled.
- Recycling is critical to keep pace with growing energy storage needs.

**Key Goal:** Finding a cleaner and more cost-efficient lead recovery and recycling methodology which is critical for the process of lead recycling going forward.

### The Lead Solution (NayaRefinePb & NayaRefineLi):

We are in the process of patenting our domestically developed Refining Technology, NayaRefine. We want to increase the production of lead to keep up with the rising demand without increasing emissions. We have locally developed a very modular design which can be conveniently deployed at stand-alone facilities namely existing battery recycling facilities enabling a circular economic model. NayaRefine will utilize a water-based process combined with non-toxic, biodegradable organic elements to produce lead which will be 99% Pure. Our goal is to negate the use of Mining & reduce the cost of production & reducing the environment footprint in the process. One module deployed can roughly produce 3-3.5 Tons of pure lead every day.

### d) Component & Spare Parts Division:

#### E-Mobility / New Energy Vehicle Sector

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### Infrastructure Overview

We have a Fully Integrated Forging Unit with a large product portfolio offering to our customers ranging from 1 Kg to 500 Kgs. The Forging Unit comprises Both Closed Die Forging Hammers & Presses with the largest offering being a 16 T Forging Hammer. We will be shortly commissioning a state of the art completely automotive new 6300T & 8000T Forging Press Lines. The Aluminium Forged Components are key to this manufacturing facility for the New Energy Vehicle Sector.

### Naya Motors

#### The New Energy Vehicle Project

We have been working through a spectrum of Industries to develop solutions for our partners over a number of platforms.

Our goal is to assist companies to develop new product architectures & solutions through an array of Vehicle Platforms.

The solutions are more B2B in natures as we aim to be an end to end solution provides in the sphere of Vehicle Design & Development.

#### The Product Architecture

We have closely worked with a number of companies to assist in new vehicle design & Development. This is possible due to years of experience working with New Energy Powertrain & Drivetrain solutions.

#### The Unique & Proprietary Solution - Modular Battery System (MBS)

We have developed a Proprietary Plug & Play Modular Battery System (MBS) to provide flexibility between range of 60 km – 240 km to the Buyer of two wheelers. These work very similar to power banks & are easily swappable at a Battery Swapping Station. These enable buyers with

flexibility at the time of purchase to avoid exorbitant costs generally associated with batteries.

#### e) Energy Storage Solutions:

Our primary focus under Naya is clean energy & accelerating the shift towards the future of cleantech. As part of the various climate change initiatives it has increasingly become the need of the hour. The most abundant & renewable resource available to mankind today is Hydrogen & for far too long this has not been the main focus for companies globally. At Naya we have highlighted Hydrogen as the holy grail for the New Energy Era. We have been extensively working towards building innovative solutions to provide our patrons leading technology in the industrial hydrogen, energy storage, hydrogen fueling and heavy-duty mobility industries.

#### The Science

Hydrogen is the oldest and most common element in our universe & the first element on the periodic table. However, pure hydrogen is not a natural resource. It is stored in a compound with other molecules. Water consists of 66% hydrogen, hence the well-known symbol

H<sub>2</sub>O. The hydrogen molecules can be extracted using an electrolysis process to produce electrical energy leaving the only by-product in the whole process, i.e. Water. We can store hydrogen as renewable energy for a long time effectively as a 100% green energy supply. The stored hydrogen can also be used to run heavy duty mobility and everyday fuel cell vehicles. By recombining hydrogen and oxygen, a flow of electrons is created that results in electricity that can be used to run electric engines.

#### The Production Opportunity

Alkaline electrolysis is a more mature technology for larger systems, whereas PEM (Proton Exchange Membrane) electrolyzers are more flexible and can be used for small decentralized solutions. The conversion efficiency for both technologies is about 65%-70%. The High temperature electrolyzers are currently under development and could represent a very efficient alternative to PEM and alkaline systems, with efficiencies up to 90%.

## FINANCIAL PERFORMANCE

Analysis of Profit and Loss statement and Balance Sheet including the key ratios based on results is mentioned as follows:

### PROFIT AND LOSS STATEMENT ANALYSIS

(₹ Crores)

Particulars	FY 22	FY 21
<b>Revenue</b>	<b>285.06</b>	<b>142.09</b>
Add: Other Income	8.53	5.25
Total Income	293.5	147.33
Less: Cost of Materials and Stores and Spare Parts Consumed	219.51	110.72
Less: Employee Expenses	5.24	3.49
Less: Other Expenses	22.64	16.99
<b>EBITDA</b>	<b>46.19</b>	<b>16.13</b>
EBITDA Margin	16%	11%
Less: Finance Costs	5.23	6.61
Less: Depreciation & Amortisation Expense	1.05	1.14
<b>Profit/(Loss) Before Tax</b>	<b>39.91</b>	<b>8.38</b>
Profit/(Loss) Before Tax Margin	14%	6%
Less: Tax Expense	9.30	1.78
<b>Profit/(Loss) After Tax</b>	<b>30.61</b>	<b>6.60</b>
Profit/(Loss) After Tax Margin	10%	4%
Basic EPS (in ₹)	4.09	1.85
Diluted EPS (in ₹)	4.04	1.64

Our Revenue increased by 101 percent Y-o-Y to ₹ 285.06 crore on the back of strong performance demonstrated by businesses. A better management of working capital during the year resulted in reduction in interest costs to ₹ 5.23 crore in FY22 from ₹6.61 crore in FY21.

Total Comprehensive income increased to ₹ 30.61 crore as against ₹ 6.60 crore in FY21, a Y-o-Y growth of 364 percent.

## BALANCE SHEET ANALYSIS

Particulars	FY 22	FY 21
<b>Leverage Metrics</b>		
Debt: Equity	0.29	0.31
<b>Working Capital Metrics</b>		
Current Ratio	2.01	1.58
<b>Return Metrics</b>		
Return on equity	26%	14%
Return on capital employed	28%	21%

The Company's equity share capital is stated at ₹ 82.31 crores, Share Warrants stated at ₹ 1.05 crores as on 31<sup>st</sup> March 2022. The Company has increased its Equity Capital by ₹ 13.70 crores during the year through preferential allotment and conversation of share warrants into equity shares.

Reserves and Surplus increased by ₹ 30.61 crore from ₹ 6.60 crore in FY21. Net Worth increased to ₹ 159.24 crore from ₹ 77.51 crore in FY21.

Debt Equity Ratio has improved due to increase in Net Worth.

### Working Capital

- Inventory has increased from ₹ 19.94 crores as on 31<sup>st</sup> March 2021 to ₹ 40.80 crores 31<sup>st</sup> March 2022;
- Trade receivables have increased from ₹ 60.73 crores as on 31<sup>st</sup> March 2021 to ₹ 130.23 crores 31<sup>st</sup> March 2022 on account of increase in sales;
- Trade payables have reduced from ₹ 47.56 crores as on 31<sup>st</sup> March 2021 to ₹ 45.08 crores 31<sup>st</sup> March 2022;

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a strong Internal Control System (ICS), which is aligned to the requirement of the Companies Act, 2013. The ICS of the Company lays down policies and processes to ensure that controls are adequate and operating efficiently. This system is intended to implement more transparency and accountability across various sections of the organization. These controls cover the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company policies,

safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The Company has an internal control system commensurate with the size, scale and complexity of its operation. The scope and authority of the Internal Audit function is clearly defined by the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems of the company, its compliance with applicable laws/ regulations, accounting procedures and policies. Based on the report of the Internal Auditors, corrective actions were undertaken and controls were thereby strengthened. Significant audit observations and action plans are presented to the Audit Committee of the Board on a quarterly basis. The Audit Committee of the Company reviews the reports submitted by the Internal and Statutory Auditors. Based on these reports, the Audit Committee discusses and gives suggestions for improvements, wherever required. Based on their recommendations, management along with audit team takes corrective measures for effectively implementing the internal control framework. Further to the above implementation of Internal control framework as defined under Section 177 of the Companies Act, 2013 read with Regulation 17 of SEBI (LODR) Regulations, 2015, the Statutory Auditors, along with Audit Committee have opined that the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such controls were operating effectively during the year.

## ENTERPRISE RISK MANAGEMENT

The Company predominantly engaged in manufacturing of automotive engineering products and has developed robust risk management processes. With widespread operations across

80 countries, the Company faces various risks associated with business, whose long-term success largely depends on the existence of a robust risk identification and management system that helps identify and mitigate various risks.

The Company's robust risk management framework works at various levels across the Company and reviews its systems periodically to ensure they are in line with current internal and external environments.

Some of the enterprise-level risks identified by the Company and the mitigation measures being implemented are:

### 1. Pandemic Risk:

The Company is primarily involved in manufacturing activities. Due to the onset of the COVID-19 pandemic in FY21, there is an inherent risk to health and safety of the employees and workers, and risk of disruption in production due to lockdown.

**Mitigation:** The safety of its employees and all its stakeholders is foremost to the Company and forms an essential part of its DNA. Environment, Health & Safety (EHS) is included in the Key Responsibilities of the main stakeholders of each project and region. The Company is complying with all MHA guidelines and Standard Operating Procedures (SOP) introduced during the pandemic, with concurrent audits being conducted by Internal Audit department to review the adherence to MHA guidelines. The Company has institutionalised a Work From Home (WFH) policy since March 2020 for all corporate offices and standard operating procedures are rolled out for employees working from home. Sub-contractors are provided training and made to sign the EHS Code of Conduct before beginning a project. Additionally, a detailed Standard Operating Procedure (SOP) is documented for each activity and Hazard Identification and Risk Assessment (HIRA) is also completed. To mitigate the risk of disruption in production due to lockdown, the Company has paid full wages, provided food and shelter facilities to contract workers during the lockdown period to retain the labour.

### 2. Commodity Price Variations and Currency Fluctuations:

The Company deals with various commodities, mainly steel. Fixed price contracts can have a negative impact on the Company's profits if input costs rise without proper hedging mechanisms. Additionally, with operations in

several countries, adverse movement in any currency can negatively impact financials.

**Mitigation:** Generally, commodity price fluctuations are passed to the customers. This mitigates the Company's Commodity price variations to a large extent.

The Company discount its majority of supply bills in INR. When necessary, the Company is also open to take a forward exchange contract. It carries out periodic reviews of these risks at appropriate levels.

### 3. Geopolitical Risks:

Unexpected political unrest or change in some of the developed/developing countries, trade barriers, increasing conflict in the Middle East are some of the risks that the Company faces.

**Mitigation:** The Company monitors such risks and develops suitable mitigation strategies addressing the feasibility of operating in the country, strategic sourcing options, and regularly monitors international sanctions and funding to cover its exposure in the local markets.

### 4. Demand Risk:

Slowdown in automobile & related industries can impact both revenues and prospective growth

**Mitigation:** The Company's robust global presence helps it minimise the impact on business during a slowdown. It has a significant presence in several underdeveloped and emerging economies.

### 5. Cyber Security, Technology or software obsolescence risk

Cyber-attacks and threats may impact the security of IT infrastructure and critical IT assets of the Company. Technology or software obsolescence may result in compromise of quality standards and losing out on the competitive advantage.

**Mitigation:** The Company's IT systems are protected with anti-virus and its network security through firewall to avert any cyber-attacks. The Company had engaged an external specialist to carry out cyber security audit, post which, audit recommendations and suggestions were implemented to further strengthen the IT security. The Company is scaling up its IT infrastructure.

## HUMAN RESOURCE

The Company continues to successfully strengthen its position as a contemporary, open, and an exciting place to work. The ability to attract, motivate and retain talent is crucial for the success of the Company, which is primarily achieved through forward-looking policies, continued emphasis on upgrading

employee skills and empowering them to realise their full potential.

The world went through unprecedented times in FY'21 & FY'22 due to the COVID-19 pandemic and resultant lockdowns, which posed multiple challenges for employees across offices and manufacturing units. The Company provided unstinted support to its employees during the pandemic. Promptly responding to the crisis, the Company introduced a distinct Remote Working Policy to safeguard health and safety of employees, which gave them a choice to work remotely wherever viable. This forward-thinking policy empowered employees to adopt new and contemporary methods of working, while improving their well-being and enhancing their efficiency and business output.

The Company continues to focus on skill upgradation by promoting a culture of self-development throughout the organisation. The Company is also committed to providing

equal opportunity and promoting a culture that values diversity to create an inspiring workplace.

Permanent Employee Count as on 31 March 2022: Balu Forge Industries Limited has 119 employees.

#### CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations, predictions and assumptions may be 'forward-looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, natural calamities, change in Government's regulations, tax regimes, other statutes and factors such as litigation and industrial relations.

# BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

As a responsible Corporate citizen, the Company views itself as an important component of the society. It considers itself accountable to all its stakeholders, including investors, shareholders, employees, customers and vendors. It believes in adoption and implementation of responsible business practices in the interests of the society and environment. The Company has always taken keen interest in creating sustainable value for all its stakeholders in a responsible manner in ways such as sustainable use of natural resources, fostering a culture of safety, empowering its people to outperform and positively impacting many lives by building sustainable communities. Sustainable development will remain an ongoing endeavor for the Company which tries to ensure that Environmental, Social and Governance initiatives are well ingrained into all aspects of its business operations and processes. The Business Responsibility Report ("BRR") illustrates the Company's efforts towards creation of value, in an accountable manner, for all its stakeholders. This report covers information on the Company's operations, aligned with National Voluntary Guidelines ("NVGs") on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs and is in accordance with Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The nine guiding principles of the BRR cover all aspects which are of significance to business operations and the environment- friendly practices undertaken by the organization.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**  
L29100MH1989PLC255933
- Name of the Company:** BALU FORGE INDUSTRIES LIMITED
- Registered address:** 506, 5th Floor, Imperial Palace 45, Telly Park Road, Andheri (East) Mumbai 400069
- Website:** [www.baluforgeindustries.com](http://www.baluforgeindustries.com)
- E-mail id:** [compliance@baluforgeindustries.com](mailto:compliance@baluforgeindustries.com)
- Financial Year reported:** 1 April 2021 to 31 March 2022.
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub Class	Industrial Activity
293	2930	29301	Steel forging
- List three key products/services that the Company manufactures/provides (as in balance sheet):**  
Crankshafts, Connecting Rods, Rocker Arms Markets

## 9. Total number of locations where business activity is undertaken by the Company

a) Number of International Locations:	Currently no international manufacturing location
b) Number of National Locations:	Two manufacturing facilities in Belgaum, Karnataka

- Markets served by the Company (Local/State/National/International) – All

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) :** ₹ 82.31 Crs.
- Total Turnover (INR) :** ₹ 285.06 Crs
- Total profit after taxes (INR) :** ₹ 30.61 Crs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

The Company had to spend ₹ 6.60 lakhs, being 2 percent of the average net profit (calculated in terms of Section 198 and other provisions of the Companies Act, 2013) in the preceding three financial years. The company made contribution of Rs 6.60 lakhs to Delhi Sikh Gurdwara Management Committee which facilitates the activities as mandated under the provisions of section 135 of the Companies Act 2013.

## 5. List of activities in which expenditure in 4 above has been incurred:

Community Development – Fulfilling the needs of the community – Promoting healthcare including Kidney Dialysis Hospital, MRI & Diagnostic Centre and disaster management during the COVID-19 pandemic.

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/Companies?

The Company has in total 4 Subsidiaries of which 2 are Indian and 2 are Overseas namely:-

- Naya Energy Works Private Limited (WOS)
- Balu Advanced Technologies & Systems Private Limited (WOS)
- Safa Otomotiv FZ – LLC in Dubai (WOS)
- Kelmarsh Technologies FZ-LLC in Dubai (as a subsidiary) Capital contribution for the same has not been made till the closure of the financial year i.e. 31 March 2022.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?

The Company, along with all its subsidiaries is committed to conduct their business in an ethical, transparent and accountable manner. The Company encourages its subsidiaries to carry out Business Responsibility ("BR") initiatives. The BR policies of foreign subsidiaries are in line with their respective local requirements and laws.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

The Company do not mandate that its suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Director responsible for implementation of the BR policies

1. DIN Number : 00813218
2. Name : Jaspalsingh Chandock
3. Designation : Chairman & Managing Director

#### (b) Details of the BR head

1. DIN Number (if applicable) : 00813218
2. Name : Jaspalsingh Chandock
3. Designation : Chairman & Managing Director
4. Telephone number : 022-26842860
5. e-mail id : brsr@baluindustries.com

### 2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.
Principle 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policy/policies for these principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies conform to the principles of NGRBCs, the Companies Act, 2013 and International Standards of ISO 9001, ISO 14001 as applicable to the respective policies.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	All the policies except HR policies can be viewed at <a href="https://www.baluindustries.com/policies">https://www.baluindustries.com/policies</a> . HR policies are restricted to employees of the Company.								
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Y = Yes

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable

NA – Not applicable

### 3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Executive Committee meets to review the BR performance of the Company on need basis.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

BR Report of the Company forms part of Annual Report and the same can be accessed on the website of the Company i.e. <https://www.baluindustries.com/investors-kit.php>

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policies adopted by the company covers the issue related to ethics, conflict of interest and so on besides, ensuring that every transaction is transparent. Every employee of the Company is required to mandatorily adhere to the policies. Our corporate philosophy seeks to ensure truth, transparency, accountability and responsibility

and is committed to meet the aspirations of all our stakeholders. Our business principles reflects our continued commitment to ethical business practices, values and compliance to all laws of the land

The policy does not extend to suppliers/contractors/NGOs/others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During FY'22, there was One share-related complaints from the investors of the Company.

These complaints were resolved to the satisfaction of the Stakeholders. The Company has also in place a Whistle Blower Mechanism, which enables Directors and employees to voice their concerns or observations without fear. The Company promotes reporting of instance of any unethical or unacceptable business practice or event of misconduct/unethical behaviour, actual or suspected fraud and violation etc. The Whistle Blower policy provides adequate safeguards also provides direct access to the Chairman of Audit Committee.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their Life Cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is a preferred supplier of crankshafts to OEM's in India and around the world with manufacturing facilities at Belagavi in Karnataka. The Company endeavours to provide products and services that are focused on minimising environmental impact such as

reduced water consumption and material consumption, and reduced waste generation, along with being sustainable throughout their life cycle. Aided by superior talent, processes and technology, the Company continues to set new benchmarks in the industry, across design, execution, quality and safety. It has established credibility in delivering products and services with minimum carbon footprint, while also ensuring that the society at large gets maximum benefits without causing negative impact on the environment. Enhanced execution capabilities also enable the Company to consistently quality products in India and other countries, thus benefiting societies at large. As a recognition of its efforts towards contributing to Environmental, Health, Safety and Quality through sustained practices, the Company has received the IMS certification ISO 9001, ISO 14001, ISO 45001 for businesses (products and services).

The Company has further ventured into multiple new verticals spread the New Energy Sector as under.

**Battery Division:** Lithium Ion Battery Development, Metal air Battery Development, Development of the Proprietary Battery Management System

**Ecosystem Building:** Wall Mounted Charging Stations, Wireless Charging Stations

**Recycling Division:** Lead Acid Recycling, Lithium Recycling

**Component & Spare Part Division:** Forging Aluminum Components for the Electric

**Vehicle Industry:** Precision Machined components for the New Energy Sphere, Development of Electric Motors

**Naya Motors:** Electric Carriage Project, Two Wheeler

**Energy Storage Solutions:** The Hydrogen Opportunity

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Raw Materials for our components are only sourced from Recognized & Approved Steel Mills. All components are supplied with the Material Test Certificate & every material is Tested in our Laboratory to ensure it is conforming to the Standard Material Chemical Composition. The Company is committed to preserving & conservation of the environment as a step towards creation of a 'green factory' in harmony with the local area, an important part of our environmental

policy. The Company understands its responsibility as a growth enabler and endeavors to create value chains across its manufacturing process. The Company is also conscious of the environmental impacts caused during production and product lifecycle and continually trying to reduce such impacts. By incorporating environmental and social concerns into the product design philosophy, the Company has generated the economic value which is derived from optimize use of natural resources, process innovation lead by its skilled employees and practicing Lean manufacturing. During the period Company has undertaken many short term and long term projects which will help us the reduce the impact on environment, maximum utilization of natural resources which includes minimizing wastage, energy and fuel conservation, reduction of consumables, new innovations and automations throughout all the manufacturing processes.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company takes significant steps for reducing energy usage and minimizing its environmental footprint across the value chain. Product(s) development is the key enabler to provide the energy efficient & environment sustainable products to the customers. These provide substantial benefits to consumers. Environment sustainability is also enhanced by reduction in use of water footprints with the vision to become a water positive manufacturing plant by implementing

ZERO Water effluent discharge, Water Harvesting, Process Innovation & Technology adoption. The Company are working on a proprietary technology, NayaRefine to deliver ultra-pure lead while reducing the Environmental footprint related to Lead Production

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company takes care of Sustainable sourcing through effective Supplier evaluation on quality, financial, reliability grounds before awarding business. Our contracts have appropriate clauses and checks to prevent the employment of child labor or forced labor in any form. The Company continue to engage with all supplier segments working within our boundary covering

People and Services. The Company engage with local suppliers for our People and Services categories. The Company believes in long term partnership with major suppliers rather than one time business focus.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company have a comprehensive engagement model to meaningfully engage with our suppliers on material aspects. Regular capacity building and assessments are conducted for key suppliers. Today the Company have a very wide & well-established supplier base including number of suppliers from local & small producers and The Company continue to encourage the strengthening of the local buying from India. This strategy has directly supported the Company to reduce cost and has paved the way for a flexible manufacturing system. The possibility is explored to procure spares or carry out job work of intermediate processes from local and small vendors. While doing so, continuous interaction (including deputation/visits to share the technical know-how and train the staff) is carried out with regards to development and execution.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company's policy is embedded with the objectives of reduction in environmental degradations and promotion to help combat the perils of climate change. Reduce, Reuse and Recycle is the way forward to drive optimal resource efficiently. The Company focuses for continual reduction of natural resources usage, recycling the waste and ensure embedding sustainability across the value chain through Product Innovation, Lean Manufacturing, Material Substitution.

The Company's goal is to recover lithium from the Spent batteries using hydrometallurgy. In the said process the raw material is first dissolved in water and that the substance you want to extract is then precipitated. This process is generally used to extract nickel and zinc & the Company want to use the same base process with our proprietary Naya Refine process to extract the Lithium upto 80% recycling rate with a low-CO2 hydrometallurgical recycling process. The batteries are first made safe for mechanical treatment, with plastics,

aluminium and copper separated and directed to their own recycling processes. The Company want to also create a Second Life for these spent batteries where these can be reused in Energy Storage Applications

**Principle 3: Businesses should promote the wellbeing of all employees.**

**1. Please indicate the Total number of employees.**

The Company has 119 permanent employees as on 31 March 2022.

**2. Please indicate the Total number of employees hired on temporary/contractual/ casual basis.**

The Company has hired more than 119 employees on temporary/ contractual/casual basis as on 31 March 2022.

**3. Please indicate the Number of permanent women employees.**

The Company has two permanent women employees as on 31 March 2022.

**4. Please indicate the Number of permanent employees with disabilities**

The Company has no permanent employees in the above category as on 31 March 2022.

**5. Do you have an employee association that is recognized by management?**

The Company respects the rights of employees to free association and union representation. During the year under review, there was no employee association in the Company.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

**8 What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

The Company conduct periodic demonstration of mock drills related to safety and security of all employees to generate awareness.

**Skill upgradation:** Our training programs includes on-the-job training for all employees and class room sessions for about 50 per cent of our employee base.

The Company take our management systems for occupational health and safety (OH&S) very seriously at our company. The members of our team are truly biggest assets & to inculcate a culture for their Health & Safety is our biggest priority. The Company were accredited with the ISO 45001:2018 certification in 2020 which is a proof of our strong emphasis on the well-being every member of the Balu Family proving a very safe & healthy working culture & environment

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal and external stakeholders. It recognises employees, clients, customers, suppliers, contractors, shareholders, bankers, various government authorities, among others, as its key internal and external stakeholders. In order to maximize value creation for its internal and external stakeholders, identification and engagement with the stakeholders is key driver for a sustainable and successful business. The Company understands the need for such engagement and periodically engages with its stakeholders through formal and informal channels.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, the Company has identified the underprivileged communities in and around its plants, business locations and project sites. The Company conducts various activities, which upholds its philosophy and values towards underprivileged communities and serving the wider interests of society. This helps in social and economic development of the communities. The Company engages with its stakeholders on an ongoing basis

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company has undertaken special initiatives for the development of underprivileged communities in and around its plants, business locations. The Company retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review.

Skills-based programs to upskill our manufacturing employees are developed locally and tailored to the specific needs of the business.

Our Development Program allows early-career engineers opportunities to work in research and development, new product introduction and continuous improvement over, rotating between assignments and gaining foundational training, as well as coaching, mentoring, and professional development opportunities to grow both technical and leadership skills.

Our executives continued to coach rising talent. By leveraging remote, live-learning as the pandemic unfolded, they provided real-time insights to mid- to senior-level. These leaders learned firsthand how to tackle critical business challenges with agility, while building capabilities around a variety of topics including strategic thinking and building high-performing teams

**Principle 5: Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Human rights are given utmost respect and promoted in the Company. Equal opportunity is given to all the employees of the Company based on merits. The Company treats its employees with dignity, apart from maintaining a congenial work environment free from all sorts of harassment (physical, verbal or psychological). The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs. Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. The Company's business relationship with its Vendors/

contractors encourages its vendors to comply with the relevant laws safeguarding labour rights and human rights.

**2. How many complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company has not received any complaint of human rights violation.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ others.**

The Company encourages all its external stakeholders to strictly adhere to safety and restoration of the environment. Our major suppliers comply with ISO 14001 standards and have a clear policy to safeguard the environment. Company ensures that it is implemented at all these levels and the Suppliers/ Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practice.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

As a responsible corporate citizen, we give due consideration to environmental issues like global warming, climate change etc. and our products are designed accordingly. While selecting components the Company choose energy efficient products which consumes less power. The Company designs its products in such a way that the total carbon footprint is minimized. The Company are also speeding up our goal of being Carbon Neutral by 2030.

The Company has come up with various strategies/ initiatives to address global environmental issues. The Company has worked extensively to address such issues by striking a balance between economic growth and preservation of the environment.

The Company is in the process of patenting our domestically developed Refining Technology, NayaRefine. The Company want to increase the production of lead to keep up with the rising demand without increasing emissions

**3. Does the company identify and assess potential environmental risks? Y/N**

The Company has an Environmental Health & Safety Policy which guides the Company's efforts to manage

its environmental impacts and continually improve its environmental performance. All Manufacturing plants are certified to ISO 14001:2015 Environmental Management System (EMS) standard. As part of EMS implementation, potential environmental risks are identified, and appropriate mitigation strategies are planned. The Company strives for excellence in environmental performance and resource efficiency to mitigate it's ecological footprint and continues to invest in upgrading existing technologies to minimize its potential environmental risks. The efforts focus on reducing waste, enabling a sustainable supply chain and understanding the impact of the Company's products on the environment through lifecycle assessments.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company adheres to all rules, regulations, standards framed by Central & State Pollution Control Boards where the Company's plants are situated. Compliances of these rules, regulations and standards are being checked by internal auditors. The Company has not undertaken any specific projects related to clean development mechanism.

The Company's primary focus under Naya is clean energy & accelerating the shift towards the future of cleantech. As part of the various Climate Change initiatives it has increasingly become the need of the hour. The most abundant & renewable resource available to mankind today is Hydrogen & for far too long this has not been the main focus for companies globally; The Company converted Electricity into hydrogen by the process of electrolysis. The hydrogen can be then stored in the Form of Energy Storage Solutions and eventually re-electrify for Mobility or back to the grid

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has initiated various initiatives towards energy efficiency. The Company focusses on energy efficiency through process optimization initiatives such as Energy Conservation (by Technology Adoption, Technology Upgradation & Process Modification) and Energy Management (by Process Monitoring & Pricing/ Fuel Selection).

The Company is working on Hydrogen Fueling Stations & our pilot project is presently underway to establish

the first Hydrogen Fueling Stations for fuel cell vehicles. The Company have successfully removed the hindrance largely associated with Hydrogen Storage & this can now benefit a large fueling opportunity. With the ever increasing market share for fuel cell vehicles especially in the Heavy Duty Segment, a presence of Fueling stations is equally important. The Company wish to spearhead in this segment as one of the early movers to prepare the ecosystem for the New Energy Revolution. This includes electrolyzers & onsite Hydrogen Storage

A large emphasis has also been put on Wind & Solar Energy amongst other renewable sources. A Blueprint has also been laid out for our very own Solar Farm to fulfill the needs of our Manufacturing Plants

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The emission levels were within the permissible limits given by Central & State Pollution Control Boards for the financial year ended on 31 March 2022.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Company has not received any show cause/legal notices either from CPCB or SPCB which is pending as on 31 March 2022.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of the following major Trade/ Chamber or Association:

- (a) Bombay Chamber of Commerce & Industry
- (b) Confederation of Indian Industry
- (c) Automotive Component Manufacturers Association of India
- (d) Indo-Arab Chamber of Commerce and Industries

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company engages with the above associations for advocating matters concerning Taxation, Governance & Administration, Economic Reforms affecting the industry.

**Principle 8: Businesses should support Inclusive Growth and Equitable Development**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

In the year under review, our initiatives were focused on key issues such as primary healthcare, environmental sustainability and rural development programmes. The Company has also contributed to the fight against COVID-19. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The Company's CSR activities are explained earlier above at the starting of the report.

**3. Have you done any impact assessment of your initiative?**

The Company reviews the outcomes of the various initiatives undertaken by the company on continuous basis and monitors gains to the community arising out of all its CSR activities. Feedback is also sought from beneficiaries and partners.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

During FY'22, the company had made a contribution of Rs 6.60 lakhs to Delhi Sikh Gurdwara Management Committee for the activities mandated under the provisions of section 135 of the Companies Act 2013.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

All programs are based on strong community engagement in ways that allow collective decision-making, planning, implementation and sustainability. The expectations and priorities of community is evaluated to design the initiatives and feedback is collected to improve services. Long-term relationships have been developed with varied stakeholders to promote continuous dialogue throughout the phases of the project lifecycle.

As a Corporate Citizen, the Company strongly believes that community development is its responsibility, and it strives to ensure that the CSR initiatives undertaken by the Group Companies addresses the same.

**Principle 9: - Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

During the financial year 2021-22, no consumer complaint was received.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

All information regarding goods and services can be accessed through the Company's website <https://www.baluindustries.com/> and in its periodic disclosures such as the annual report.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices,**

**irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

In the last five years, no such case has been filed against the Company on the above referred matters.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Customer satisfaction is significant for the Company as it ensures the Company's overall reputation in the geographies it operates in. To understand its customers better, the Company follows several modes of engagement. Such modes include customer audits, customer surveys, direct feedback taken by visiting managers/plant personnel and site visits organised for customers. These modes help the Company to understand customer requirements, satisfaction levels and customer behaviour. The Company also conducts one-to-one meetings with its customers to enable efficient communication and resolve specific needs/concerns.

# DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the 33<sup>rd</sup> Annual Report of Balu Forge Industries Limited ("the Company") together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022.

## 1. FINANCIAL RESULTS

The Financial Highlights for the year under report are as under:

(Amount in Crores)

Description	Standalone		Consolidated	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from Operations	285.06	142.08	286.08	142.08
Other Income	8.52	5.25	8.53	5.25
<b>Total Revenue</b>	<b>293.58</b>	<b>147.33</b>	<b>294.61</b>	<b>147.33</b>
Total Expenses	253.70	137.59	255.32	137.59
<b>(Loss) / Profit before tax and exceptional items</b>	<b>39.88</b>	<b>9.74</b>	<b>39.29</b>	<b>9.74</b>
<b>Profit before tax</b>	<b>39.68</b>	<b>9.74</b>	<b>39.09</b>	<b>9.74</b>
Tax expense	9.24	2.12	9.24	2.12
<b>Net Profit after tax</b>	<b>30.44</b>	<b>7.62</b>	<b>29.85</b>	<b>7.62</b>
Other Comprehensive expense/ (Income), net of Income tax	0.17	(1.02)	0.17	(1.02)
<b>Balance Transfer to Reserve</b>	<b>30.61</b>	<b>6.60</b>	<b>30.02</b>	<b>6.60</b>

The financial statements for the year ended 31<sup>st</sup> March, 2022 have been prepared as per the Indian Accounting Standards (Ind AS).

## 2. REVIEW OF OPERATIONS

During the financial year ended 31<sup>st</sup> March, 2022, the Company has recorded, on standalone basis, total revenue of ₹ 293.58 crores and the Company has earned Net Profit of ₹ 30.61 crores as compared to previous year Net Profit of ₹ 6.60 crores.

On consolidated basis, the Company achieved total revenue of ₹294.61. crores and the Company have earned Net Profit of ₹ 30.02 crores

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

## 3. CREDIT RATING

Your Company has been rated by Crisil Ratings Limited vide its letter dated 31<sup>st</sup> January 2022 for its bank facilities as follows;

Sr. No.	Instruments	Rating
1	Packing Credit	BBB-/Stable
2	Post Shipment Credit	A3

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

The Company was not identified as a "Large Corporate" for financial year 2021-22 as per the criteria under SEBI Circular No. SEBI/ HO/DDHS/CIR/P/2018/144 dated 26<sup>th</sup> November, 2018.

## 4. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit in the profit and loss account. Accordingly, the Company has not transferred any amount to the 'Reserves' for the year ended 31<sup>st</sup> March, 2022.

## 5. ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on 31<sup>st</sup> March, 2022 is available on the Company's website at <https://www.baluindustries.com>

## 6. DIVIDEND

The Directors had declared an interim dividend of Re.0.10 per equity share involving cash outflow of Rs. 74.16 Lakhs during the year.

The dividend declared and/or paid by the Company for the financial year 2021-22, is in compliance with the Dividend Distribution Policy.

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

## 7. MAINTENANCE OF COST RECORDS

The Company has maintained cost records under Companies (Cost Records and Audit) Rules, 2014. The Board of Directors, on the recommendation of the Audit Committee, appointed M/s R K Bhandari & Co (Cost Accountant having Membership Number 10682 & Firm Registration Number 101435), to conduct audit of the Company's cost records for FY 2021-22.

The members are hereby informed that pursuant to the provisions of section 148 read with Rule 4 of Companies (Cost Records and Audit) Rules, 2014, the Company falls under the category of Non-Regulated Sectors whose revenue from export in foreign exchange exceeds 75% of its total revenue. Therefore, the Company is exempted from the provisions of the Companies Act, 2013 related to Cost Audit. Therefore, the appointment of Cost Auditors would not be applicable for the FY 2022-2023.

## 8. CASH FLOW & 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 Companies Act, 2013 and as required under Regulation 34 of the Listing Regulations, this Annual Report includes Consolidated Financial Statements and cash flow statement for the financial year 2021-22.

The Company has 4 Subsidiaries of which 2 are Indian and 2 are Overseas namely:-

1. Naya Energy Works Private Limited (WOS)
2. Balu Advanced Technologies & Systems Private Limited (WOS)

3. Safa Otomotiv FZ – LLC in Dubai (as a WOS)

4. Kelmarsh Technologies FZ-LLC in Dubai (the Company is yet to make Capital contribution in the said subsidiary).

## 9. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March 2021 was ₹68,61,50,000/- divided into 6,86,15,000 Equity Share of ₹ 10/- each.

The Board of Directors of the Company on 27<sup>th</sup> April, 2021 had issued and allotted 55,49,886 Equity shares of Rs. 10/- each for cash at a premium of Rs. 71/- (Rupees Seventy One Only) per share aggregating to ₹ 44,95,40,766/- (Rupees Forty Four Crores Ninety-Five Lacs Forty Thousand Seven Hundred Sixty Six Only) for on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

The Board of Directors had approved the the conversion of all the 92,00,000 Warrants into 92,00,000 Equity Shares which were issued and allotted to the Promoters & Non Promoters on 23<sup>rd</sup> March 2022 and 29<sup>th</sup> April 2022 respectively.

Accordingly, as on the date of signing of Directors Report the Paid up Equity Share Capital was ₹83,36,48,860/- (Rs. Eighty Three Crores Thirty Six Lakhs Forty Six Thousand Eight Hundred Sixty only) divided into 8,33,64,886 (Eight Crores Thirty Three Lakhs Sixty Four Thousands Eight Hundred Eighty Six) Equity Shares of ₹10/- Each.

The Company has 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 Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules 2014, during the year under review.

## 10. LISTING

The shares of the Company are listed at the BSE Limited. The Company has paid the annual listing fees for the financial year 2021-22 to the said Stock Exchange.

## 11. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

During the year under review, there was no transfer of equity shares to the Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

## 12. INTERNAL CONTROL SYSTEM

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.

Internal Audit – The Company has in place a robust Internal Control System and ably supported by reputed independent firms i.e. Mehta Singhvi & Associates, Chartered Accountants, Mumbai as the Internal Auditors. 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. The Internal Auditors share their findings on an ongoing basis during the year for corrective action. Report of the Internal Auditors for the FY 2021-22 does not contain any qualification, reservation, disclaimer or adverse remarks.

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

The particulars of loan given, investments made, guarantees given and securities provided during the year under review and as covered under Section 186 of the Companies Act, 2013 has been disclosed in the note no. 18 of financial statements.

### 14. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, in relation to audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 with respect to Directors Responsibilities Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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 31<sup>st</sup> March, 2022 and of the profit of the Company for the year under review.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2022 on a going concern basis.

- 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.
- 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.

### 15. REPORT ON PERFORMANCE OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has in total 4 Subsidiaries of which 2 are Indian and 2 are Overseas namely:-

- Naya Energy Works Private Limited (WOS)
- Balu Advanced Technologies & Systems Private Limited (WOS)
- Safa Otomotiv FZ – LLC in Dubai (WOS)
- Kelmarsh Technologies FZ-LLC in Dubai (the Company is yet to make Capital contribution in the said subsidiary)

The Company does not have any Joint Venture or Associate Company within the meaning of Section 2(6) of the Companies Act, 2013. No material change has taken place in the nature of business of the subsidiaries.

Statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Act read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014, is annexed in the **Form AOC-1 as "Annexure A"** to this Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, 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 financial statement of the subsidiaries shall also be sent to Members electronically who request for the same.

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>

### 16. DEPOSITS

The Company has not accepted any deposits within the meaning of sub-section (31) of Section 2 and Section 73 of the Companies Act, 2013 ("the Act") and the Rules framed thereunder. As on 31<sup>st</sup> March 2022, there were no deposits lying unpaid or unclaimed.

## 17. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

### (i) Composition of the Board of Directors and KMP

The Board of Directors and Key Managerial Personnel is duly constituted. As on the date of this report the composition of the Board and Key Managerial Personnel is as mentioned below:

Sr. No.	Name of Director / KMP	Designation	Date of Appointment	Date of Cessation
1.	Mr. Jaspalsingh Chandock	Chairman & Managing Director	19-11-2020	--
2.	Mr. Trimaan Chandock	Whole time Director	19-11-2020	--
3.	Mr. Jaikaran Chandock	Whole time Director	19-11-2020	--
4.	Mr. Raghvendra Raj Mehta	Independent Director	30-06-2021	--
5.	Mr. Radheshyam Soni	Independent Director	30-06-2021	--
6.	Ms. Shalu Bhandari	Independent Woman Director	30-06-2021	--
7.	Mr. Ashvin Thumar	Independent Director	--	30-06-2021
8.	Mr. Deepak Mehta	Independent Director	--	30-06-2021
9.	Ms. Sejal Soni	Independent Woman Director	--	30-06-2021
10.	Mr. Mitesh Dani	CFO	28-05-2018	--
11.	Mr. Aakash Joshi	Company Secretary	22-06-2020	--

### (ii) Changes in Composition of Board and Key Managerial Personnel

- Mr. Raghvendra Raj Mehta was appointed as Independent Director of the company w.e.f 30<sup>th</sup> June 2021.
- Mr. Radhey Shyam Soni was appointed as Independent Director of the company w.e.f 30<sup>th</sup> June 2021.
- Ms. Shalu Laxmanraj Bhandari was appointed as Independent Woman Director of the company w.e.f 30<sup>th</sup> June 2021.

The appointment of the said independent directors was approved by shareholders of the Company at their meeting held on 28<sup>th</sup> September 2021.

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

The Board of Directors has adopted a Nomination and Remuneration Policy in terms of the provisions of sub-section (3) of Section 178 of the Act and SEBI Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

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

### Retirement of Directors by Rotation

As per the Companies Act, 2013, Mr. Jaikaran Chandock, (DIN: 06965738), Whole time Director, being longest in the office retire by rotation and being eligible, offers himself for reappointment.

### MEETINGS OF BOARD & COMMITTEES

#### Meetings of Board of Directors

The Board of Directors duly met 13 (Thirteen) times during the financial year ended 31<sup>st</sup> March, 2022 as under:

27<sup>th</sup> April 2021, 07<sup>th</sup> May 2021 14<sup>th</sup> May 2021, 21<sup>st</sup> May 2021, 14<sup>th</sup> June 2021, 30<sup>th</sup> June 2021, 10<sup>th</sup> August 2021, 31<sup>st</sup> August 2021, 02<sup>nd</sup> September 2021, 15<sup>th</sup> October 2021, 02<sup>nd</sup> November 2021, 14<sup>th</sup> February 2022 and 23<sup>rd</sup> March 2022

The periodicity between two Board Meetings was within the maximum time gap as prescribed in the SEBI (LODR) Regulations, 2015 / Companies Act, 2013. 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 Composition of the Board is as under:

Sr. No.	Name of Directors	Designation/ Category of Directorship
1	Mr. Jaspalsingh Chandock	Chairman & Managing Director
2	Mr. Trimaan Chandock	Whole Time Director
3	Mr. Jaikaran Chandock	Whole Time Director
4	Mr. Raghvendra Raj Mehta	Independent Director
5	Mr. Radheshyam Soni	Independent Director
6	Ms. Shalu Bhandari	Independent Woman Director

Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni, Independent Directors resigned as Director w.e.f 30<sup>th</sup> June 2021.

#### ■ Committee Meetings:

#### ● Audit Committee:

The Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

The Audit Committee of the Company is constituted/re-constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

During the financial year 2021-22, the Audit Committee of the Company met Six times on 14 May 2021 30 June 2021, 10 August 2021, 31 August 2021, 02 November

2021 and 14<sup>th</sup> February 2022. The gap was not more than one hundred and twenty days between two Audit Committee meetings.

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

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. The terms of reference of the Audit Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

The Composition of the Audit Committee is as under:

Sr. No.	Member's Name	Category	Designation
1	Mr. Raghvendra Raj Mehta	Independent Director	Chairman
2	Mr. Radheshyam Soni	Independent Director	Member
3	Ms. Shalu Bhandari	Independent Director	Member
4	Mr. Trimaan Chandock	Whole Time Director	Member

Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Director w.e.f. 30<sup>th</sup> June 2021.

#### ● Nomination & Remuneration Committee

The Nomination and Remuneration Committee recommends 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 Nomination & Remuneration Committee is duly constituted during the year under review, the committee met three times. The meetings were held on 30<sup>th</sup> June 2021, 31<sup>st</sup> August 2021 and 02<sup>nd</sup> September 2021.

The terms of reference of the Nomination and Remuneration Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

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

Sr. No.	Member's Name	Category	Designation
1	Mr. Radheshyam Soni	Independent Director	Chairman
2	Mr. Raghvendra Raj Mehta	Independent Director	Member
3	Ms. Shalu Bhandari	Independent Director	Member

Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Director w.e.f. 30<sup>th</sup> June 2021.

#### Stakeholders' Relationship Committee

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 Stakeholders' Relationship Committee is duly constituted, during the year under review, the committee met 4 times on 30<sup>th</sup> June 2021, 10<sup>th</sup> August 2021, 02<sup>nd</sup> November 2021 and 14<sup>th</sup> February 2022.

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

Sr. No.	Member's Name	Category	Designation
1	Mr. Raghvendra Raj Mehta	Independent Director	Chairman
2	Mr. Radheshyam Soni	Independent Director	Member
3	Ms. Shalu Bhandari	Independent Director	Member

Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Director w.e.f. 30<sup>th</sup> June 2021

The brief terms of reference of the Stakeholders' Relationship Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

#### Risk Management Committee

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness

The Risk Management Committee is duly constituted, during the year under review, the committee met 2 times, 02<sup>nd</sup> November 2021 and 14<sup>th</sup> February 2022

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. Radheshyam Soni	Independent Director	Member

#### Corporate Social Responsibility Committee

The Board of Directors of the Company has formed a Corporate Social Responsibility Committee to make CSR as one of the key focus area 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. 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 details CSR policy and report on CSR activities undertaken during the year in accordance with Section 134 & 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Rule 9 of the Companies (Accounts) Rules, 2014, is annexed as "Annexure B" to this report.

The Company's CSR Policy is placed on the website of the Company at <https://www.baluforgeindustries.com/corporate-governance.php>

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

The Corporate Social Responsibility Committee had met only once i.e. on 14<sup>th</sup> February, 2022.

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

Sr. No.	Member's Name	Category	Designation
1	Mr. Raghvendra Raj Mehta	Independent Director	Chairman
2	Mr. Trimaan Chandock	Whole Time Director	Member
3	Mr. Jaikaran Chandock	Whole Time Director	Member

## 18. 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.

## 19. INDEPENDENT DIRECTORS

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. The Independent Directors have submitted their disclosure to the board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.

## 20. DECLARATION OF INDEPENDENT DIRECTORS

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 of SEBI Listing Regulations including amendments thereof, the Company has received declarations from all the Independent Directors of the Company that they meet the criteria of independence, as prescribed under the provisions of the Act and SEBI Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year. Further, the Non- Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

## 21. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization program aims to provide Independent Directors with the industry scenario, the socio-economic 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.

The details of the training and familiarization program conducted by the Company are hosted on the Company's website under the web link <https://www.baluindustries.com/corporate-governance.php>

## 22. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board, based on the recommendation of the Nomination and Remuneration Committee has carried out an annual performance evaluation of Board of Directors, Statutory Committees and Individual Directors. The policy is also in compliance to Regulation 19 read with Schedule II, Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation of the Board, its Statutory Committees and individual Directors.

## 23. 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](mailto:compliance@baluindustries.com)

## 24. RELATED PARTY TRANSACTIONS

All the related party transactions are placed before the Audit Committee for their review and approval. Prior 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 (subject to financial limit). 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. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations

All related party transactions entered into by the Company during the financial year under review were in the ordinary course of business and on arm's length basis. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations.

During the FY 2021-22, 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 applicable.

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>

## 25. CORPORATE SOCIAL RESPONSIBILITY

CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in "Annexure B" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 26. CORPORATE GOVERNANCE

Your Company always places a major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an Organization's corporate governance philosophy is directly linked to high performance. The

Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value for all its stakeholders.

In terms of Regulation 34 of SEBI (LODR) 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 Mr. Jaymin Modi Proprietor of M/s. Jaymin Modi & Co. Company Secretaries, the Secretarial Auditor of the Company, is certifying compliance of conditions of Corporate Governance, forms part of this Annual Report. The Report on Corporate Governance also contains certain disclosures as required under the Companies Act, 2013.

## 27. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year ended 31<sup>st</sup> March, 2022, as stipulated under Regulation 34(2) of SEBI LODR Regulations is provided as a separate section in the Annual Report.

## 28. MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management's 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 Obligation and Disclosure Requirement) Regulation, 2015 is provided as a separate section in the Annual Report.

## 29. AUDITORS

### a) Statutory Auditors

M/s M. B. Agrawal & Co, Chartered Accountants (Registration No 100137W), were appointed as the Statutory Auditors of the Company for a period commencing from the conclusion of 31<sup>st</sup> AGM until the conclusion of the Sixth consecutive Annual General Meeting thereafter.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

The Report given by M/s M. B. Agrawal & Co, Statutory Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### b. 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. The Internal Auditors share their findings on an ongoing basis during the year for corrective action. Report of the Internal Auditors for the FY 2021-22 does not contain any qualification, reservation, disclaimer or adverse remarks.

#### c) **Cost Auditor**

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s R K Bhandari & Co (Cost Accountant having Membership Number 10682 & Firm Registration Number 101435), to conduct audit of the Company's cost records for FY 2021-22.

The members are hereby informed that pursuant to the provisions of section 148 read with Rule 4 of Companies (Cost Records and Audit) Rules, 2014, the Company falls under the category of Non-Regulated Sectors whose revenue from export in foreign exchange exceeds 75% of its total revenue. Therefore, the Company is exempted from the provisions of the Companies Act, 2013 related to Cost Audit. Therefore, the appointment of Cost Auditors would not be applicable for the FY 2022-2023.

#### d) **Secretarial Audit Report**

Secretarial Audit Report, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, was obtained from Mr. Jaymin Modi Proprietor of M/s Jaymin Modi & Co. Practicing Company Secretaries in form MR-3 for the financial year 2021-22. The remarks in the report are self-explanatory.

The said report is disclosed under “Annexure –D” and forms part of this report.

### 30. **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.

### 31. **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”.

### 32. **WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the Directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

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.baluintdustries.com/corporate-governance.php>

### 33. **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year there has been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

### 34. **COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS**

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 Companies Act, 2013.

### 35. **POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 and the Rules there under.

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 which redresses complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

### 36. GREEN INITIATIVE

Electronic copy of the Annual Report 2021-22 and the Notice of the Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s).

Your Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as may be amended from time to time which permits paperless compliances and also service of notice / documents (including annual report) through electronic mode to its members.

To support this green initiative, we hereby once again appeal to all those members who have not registered their e-mail addresses so far are requested to register their e-mail address in respect of electronic holding with their concerned Depository Participants and/or with the Company.

### 37. 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. 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;
3. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-Time Directors of the Company;
4. Revision of the financial statements pertaining to previous financial periods during the financial year under review;
5. Frauds reported as per Section 143(12) of the Companies Act, 2013;
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.

### 38. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Company's Bankers, Government Agencies, Financial Institutions, Customers, Investors and Business constituents and look forward to maintain the same in future.

#### Registered Office:

506, 5<sup>th</sup> Floor, Imperial Palace,  
45 Telly Park Road, Andheri (East),  
Mumbai - 400069

Date: 5<sup>th</sup> September 2022

Place: Mumbai

By the Order of the Board  
For Balu Forge Industries Limited

Sd/-

**Mr. Jaspalsingh Chandock**  
Chairman & Managing Director  
DIN: 00813218

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

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES /ASSOCIATES COMPANIES/JOINT VENTURES

1. Sl. No.	1	2	3	4
2. Name of the subsidiary	Naya Energy Works Private Limited	Balu Advanced Technologies & Systems Private Limited	Safa Otomotiv FZ-LLC	Kelmarsh Technologies FZ-LLC
3. Date since when subsidiary was acquired/ incorporated	07-07-2021	15-07-2021	17-01-2021	10-02-2021
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	<b>Reporting Currency:- AED</b> <b>Exchange Rate:- 20.6517</b>	
6. Share capital	1,00,000	1,00,000	30,97,755	
7. Reserves & surplus	-50,330.40	-50,035.40	-62,30,302.75	
8. Total assets	99,669.60	99,964.60	3,60,50,319.18	
9. Total Liabilities	50,000	50,000	3,91,82,866.92	
10. Investments	0	0	0	
11. Turnover	0	0	1,02,11,413.83	
12. Profit before taxation	-50,330.40	-50,035.40	-58,47,487.95	
13. Provision for taxation	0	0	0	
14. Profit after taxation	-50,330.40	-50,035.40	-58,47,487.95	
15. Proposed Dividend	0	0	0	
16. % of shareholding	100	100	100	70

**Notes:** The following information shall be furnished at the end of the statement:

**1. Names of subsidiaries which are yet to commence operations**

Kelmarsh Technologies FZ-LLC

**2. Names of subsidiaries which have been liquidated or sold during the year – Nil**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to the Associate Companies & Joint Ventures Part "B": Associates and Joint Ventures**

**Note:** The Company does not have any Associate / Joint Venture Company as on 31<sup>st</sup> March, 2022

Names of the associate or joint ventures which are yet to commence operations – NIL

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

For and on behalf of Board of Directors

**For Balu Forge Industries Limited**

**Mr. Jaspalsingh Chandock**  
Managing Director  
DIN: 00813218

**Mr. Trimaan Chandock**  
Whole Time Director  
DIN: 02853445

**Mr. Jaikaran Chandock**  
Whole Time Director  
DIN: 06965738

**Mr. Mitesh Dani**  
CFO

**Mr Aakash Joshi**  
Company Secretary

Date:- 5<sup>th</sup> September 2022

Place: Mumbai

## Annexure 'B' to Directors' Report- CSR Report

### 1. Brief outline on CSR Policy of the Company.

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:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Raghvendra Raj Mehta	Independent Director	One	One
2	Mr. Trimaan Chandock	Whole Time Director	One	One
3	Mr. Jaikaran Chandock	Whole Time Director	One	One

### 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.

Sl. No	Particulars	Weblink
1	CSR Committee	<a href="https://www.baluindustries.com/corporate-governance.php">https://www.baluindustries.com/corporate-governance.php</a>
2	CSR Policy	<a href="https://www.baluindustries.com/corporate-governance.php">https://www.baluindustries.com/corporate-governance.php</a>
3	CSR Projects	<a href="https://www.baluindustries.com/corporate-governance.php">https://www.baluindustries.com/corporate-governance.php</a>

### 4. Provide the details 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 (attach the report).

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. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N/A

### 6. Average net profit of the company as per section 135(5).

The Average Net Profit of the Company as per Section 135(5) is **Rs.3,28,69,694/-**

### 7. (a) Two percent of average net profit of the company as per section 135(5) :- **Rs 6,57,394/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). **Rs 6,57,394/-**

### 8. (a) CSR amount spent or unspent for the financial year:

Total amount spent on CSR during the year was Rs 6,60,000/-. Hence there was no unspent amount for the year.

### (b) 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.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)		(5)	(6)	
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 Rs.).	Mode of implementation - Through implementing agency.	
			State.	District.		Name.	CSR registration number.
1.	Providing Dialysis at an affordable cost to needy people	(i)	Delhi		6.60 L	Delhi Sikh Gurdwara Management Committee	CSR00004559
	<b>Total</b>				6.60 L		

(d) Amount spent in Administrative Overheads :- Nil

(e) Amount spent on Impact Assessment, if applicable :- Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) :- 6.60 L

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	6,57,394
(ii)	Total amount spent for the Financial Year	6,60,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,606
(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)]	2,606

10. (a) Details of Unspent CSR amount for the preceding three financial years:- None

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

No project qualifies as ongoing project in the preceding Financial Year

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :- Not Applicable

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

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

Sd/-  
**Mr. Ragvendra Raj Mehta**  
 (Chairman CSR Committee)  
 DIN: 01947378

Date : 5<sup>th</sup> September 2022

Place: Mumbai

## 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.

- The ratio of the remuneration (paid / payable) of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

(₹ Lakhs)

Sr. No.	Name of Director	Remuneration	Median Remuneration of Employees	Ratio
1	Jaspalsingh Chandock	48.00	1.64	29.27
2	Trimaan Chandock	12.00	1.64	7.32
3.	Jaikaran Chandock	12.00	1.64	7.32

- Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2021-22 (compared to the FY 2020-21):

Sr. No.	Name	Designation	Percentage increase in remuneration
1	Jaspalsingh Chandock	Managing Director	-
2	Trimaan Chandock	Whole Time Director	-
3	Jaikaran Chandock	Whole Time Director	-
4	Aakash Joshi	Company Secretary	12.5
5	Mitesh Dani	Chief Financial Officer	-

- The Median remuneration of the Company for all its employees is 1,63,992 for the F.Y. 2021-22. Percentage increase in the median remuneration of employees in the financial year 2021-22 is 4.99.
- The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2022 was 119 (One Hundred and Nineteen).
- Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 49.18% whereas the percentile increase in the managerial remuneration for the same financial year was Nil.
- The key parameters for the variable component of remuneration availed by directors: There is no variable component in the remuneration paid to the directors.
- It is hereby affirmed that the remuneration paid/payable during the year is as per the Remuneration Policy of the Company.
- 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](mailto:compliance@baluindustries.com) from their registered e-mail address.

## Annexure 'D' to Directors' Report

### SECRETARIAL AUDIT REPORT

#### FORM No. MR-3

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

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

To,

The Members,

**Balu Forge Industries Limited**

506, 5th Floor, Imperial Palace, 45 Telly Park Road,  
Andheri (East), Mumbai, Maharashtra, 400 069.

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 (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2022, 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 year ended on 31<sup>st</sup> March, 2022 to the extent applicable to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable to the Company during the period under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable to the Company during the period under review;
  - (f) The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable to the Company during the period under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable to the Company during the period under review;

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable to the Company during the Audit Period; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliances with the applicable clauses of the following:

- a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India; and
- b) Listing Agreements entered into by the Company with BSE Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards as mentioned above, except:

1. *Allotment of equity shares on conversion of 10,50,000 Warrants was completed beyond the period of 15 days from the date of receipt of share application money, as per Regulation 162(2) of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2015 as amended from time to time, however the same were converted pursuant to the order of the Hon. High Court, Mumbai*
2. *Some of the intimations under the provisions of the Companies Act, 2013 have been filed after the lapse of statutory time period. However, necessary additional fees have been remitted for such delay.*
3. *The Company had paid Late Submission Fees on filing of intimation for allotment of shares to foreign entity/person in form FC-GPRS with RBI*
4. *Annual Return as per section 92(1) (k) to be signed by a director and the company secretary, or where there is no company secretary, by a company secretary in practice; the annual return of Balu Forge Industries Limited was signed by company secretary in practice.*

**I further report that:**

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except there was delay in appointment of Non-Executive Women Independent Director. The changes in the composition of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I 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.

**I further report that during the audit period:**

- Increase in authorised share capital of the company from Rs.80,00,00,000/- (Rupees Eighty Crores only) divided into 8,00,00,000 (Eight Crore) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 90,00,00,000/- (Rupees Ninety Crores only) divided into 9,00,00,000 (Nine Crore) Equity Shares of Rs.10/- (Rupees Ten only); Approved in previous audit period but the forms were filled during this audit period.
- Alteration of capital clause in the Memorandum of Association of the Company;
- Issue of up to 60,30,000 (Sixty Lakhs Thirty Thousand) fully paid-up Equity Shares of Rs.10/- each of the Company, for cash on Preferential Allotment basis to the non-promoters (public category); However out of 60,30,000 shares issued, only 55,49,886 shares were allotted. This was Approved in previous audit period but the respective process /forms were completed/filled during this audit period.
- Scheme of loan for Managing Director;
- During the year the Board of Directors in their meeting held on 23<sup>rd</sup> March 2022 have allotted 81,50,000 Equity Shares of Rs. 10/- each fully paid up on account of conversion of 81,50,000 warrants of Rs. 10/- each.

**For, Jaymin Modi & Co.**  
Company Secretaries

**Mr. Jaymin Modi**

COP: 16948

Mem No. 44248

PRC: 2146/2022

UDIN: A044248D000840692

Date: 24<sup>th</sup> August 2022

Place: Mumbai

## Annexure 'A' to Secretarial Audit Report

To,

The Members,

**Balu Forge Industries Ltd**

506, 5th Floor, Imperial Palace, 45 Telly Park Road,  
Andheri (East), Mumbai, Maharashtra, 400069.

Our Secretarial Audit Report dated 24th August, 2022 is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make an audit report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes 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. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This 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, Jaymin Modi & Co.**

Company Secretaries

**Mr. Jaymin Modi**

COP: 16948

Mem No. 44248

PRC: 2146/2022

UDIN: A044248D000840692

Date: 24<sup>th</sup> August 2022

Place: Mumbai

## 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 focus on initiatives that enable improved efficiency in energy use and has deployed several technological interventions to conserve energy. The Energy departments across facilities renewed efforts by carrying out energy benchmarking with the best practices.:

1. **Prevention / minimisation** – i.e., Preventing wastage / minimisation of energy usage by relentless optimisation of process parameters to achieve lower values of fuel / energy consumption.
2. **Improving Recovery** – deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts / recovery systems.
3. **Higher Re-use / Re-cycling** – studying available potential of recovered energy from various sources and doing a cost-benefit analysis of practices required.

During the financial year under review, following specific actions were taken by the Company at its various locations, which resulted in saving of energy consumption:

- i. Installation of LED Lights in the plants and surrounding area alongwith deployment of light sensing devices for auto switching on-off at various locations resulting in saving of energy.
- ii. With continuous monitoring, maintained power factor and maximum demand average of electricity which resulted in energy conservation.
- iii. Replacement of old motors/parts with energy efficient motors.

### B. TECHNOLOGY ABSORPTION

Research & Development ("R&D")

- I. Specific areas in which R&D is carried out by the Company  
Low cost automation across various factories including redesigning of various production process.
- II. Benefits derived as a result of the above R&D  
The R&D efforts have resulted in power cost saving for the Company.
- III. Information regarding imported technology (imported during the last 3 years reckoned from the beginning of the financial year) is furnished
  - i. Technology imported: No technology has been imported in the last 3 years
  - ii. Year of import: Not Applicable
  - iii. Has the technology been fully absorbed? Not Applicable
  - iv. If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action: Not Applicable
- IV. Expenditure on R&D
  - i. Capital: Nil
  - ii. Recurring: Rs. 95.02 lakhs
  - iii. Total: ₹ 95.02 lakhs
  - iv. Total R&D expenditure as a percentage of total turnover is 0.32 percent.

### 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 2021-22	FY 2020-21
Foreign exchange earned	26,163.63	13,702.45
Foreign exchange used	-322.11	-

# CORPORATE GOVERNANCE REPORT

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at Balu Forge Industries Limited 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.

## 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 hereinafter (Listing Regulations), as amended from time to time (the Listing Regulations) and the same is in accordance with the requirements of the Companies Act, 2013. As on 31<sup>st</sup> March 2022, the Board of the Company consisted of 6 Directors of which 1 (One) is Managing Director, 2 (Two) Whole Time Directors and 3 (Three) Non-Executive Independent Directors (including a Woman Director). The Company also has two KMPs viz. Chief Financial Officer & Company Secretary.

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

The detail of other Directorships/Chairmanship and Membership of Committees held by Directors of the Company as on 31<sup>st</sup> March, 2022 is given below:

Name of Directors	Category	Relationships between directors inter-se	No. of Other Directorships and Committee Chairmanship(s) Membership(s) including this listed entity			Particulars of Directorships in other Listed Entities	
			*Director-ships	*Chairman-ship	*Member-ship	Name of the Company	Category of Directorship
Mr. Jaspalsingh Chandock (DIN: 00813218)	Chairman & Managing Director	Father of Mr. Trimaan Chandock and Mr. Jaikaran Chandock	2	NIL	NIL	-	-
Mr. Trimaan Chandock (DIN: 02853445)	Whole Time Director	Son of Mr. Jaspalsingh Chandock and Brother of Mr. Jaikaran Chandock	2	NIL	1	-	-
Mr. Jaikaran Chandock (DIN: 06965738)	Whole Time Director	Son of Mr. Jaspalsingh Chandock and Brother of Mr. Trimaan Chandock	2	NIL	NIL	-	-
Mr. Raghvendra Raj Mehta (DIN: 01947378)	Independent Director @	No Relation	2	2	3	Libord Finance Ltd	Non-Executive – Independent Director
Mr. Radhey Shyam Soni (DIN: 07962657)	Independent Director @	No Relation	2	1	4	Libord Finance Ltd	Non-Executive – Independent Director
Ms. Shalu Laxmanraj Bhandari (DIN: 00012556)	Independent Director @	No Relation	4	0	6	Bajaj Hindusthan Sugar Limited	Non-Executive – Independent Director

Note:

@ Appointed as Independent Director w.e.f. 30<sup>th</sup> June, 2021.

Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni Independent Directors resigned from their respective offices of Independent Director w.e.f. 30<sup>th</sup> June, 2021.

\*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 Companies 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 serve 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 Listing Regulations.

#### Shareholding of Directors as on 31<sup>st</sup> March, 2022

Name of Directors	Category	No. of Equity Shares	% Shareholding
Mr. Jaspalsingh Chandock	Chairman & Managing Director	5,44,40,010	66.14
Mr. Trimaan Chandock	Whole Time Director	75,900	0.09
Mr. Jaikaran Chandock	Whole Time Director	10,150	0.01
Mr. Raghvendra Raj Mehta	Independent Director	Nil	Nil
Mr. Radhey Shyam Soni	Independent Director	Nil	Nil
Ms. Shalu Laxmanraj Bhandari	Independent Director	Nil	Nil

#### Board Meetings

The Board of Directors duly met 13 (Thirteen) times during the financial year ended 31<sup>st</sup> March, 2022 and the gap between two meetings did not exceed 120 days.

The dates of the meetings were as follows:

27<sup>th</sup> April, 2021, 07<sup>th</sup> May, 2021, 14<sup>th</sup> May, 2021, 21<sup>st</sup> May, 2021, 14<sup>th</sup> June, 2021, 30<sup>th</sup> June, 2021, 10<sup>th</sup> August, 2021, 31<sup>st</sup> August, 2021, 02<sup>nd</sup> September, 2021, 15<sup>th</sup> October, 2021, 02<sup>nd</sup> November, 2021, 14<sup>th</sup> February, 2022 and 23<sup>rd</sup> March, 2022.

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

Names of Directors	Particulars of attendance for the Board Meetings		Attendance for last AGM held on 28 <sup>th</sup> September, 2021
	Meetings held during the Director's tenure	Board Meetings Attended	
Mr. Jaspalsingh Chandock	13	13	Present
Mr. Trimaan Chandock	13	12	Present
Mr. Jaikaran Chandock	13	12	Present
Mr. Raghvendra Raj Mehta	07	05	Present
Mr. Radhey Shyam Soni	07	07	Present
Ms. Shalu Laxmanraj Bhandari	07	07	Present
Mr. Ashvin Thumar*	06	06	NA
Mr. Deepak Mehta*	06	06	NA
Ms. Sejal Soni*	06	06	NA

\*Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni Independent Directors resigned from their respective offices of Independent Director w.e.f. 30<sup>th</sup> June, 2021.

#### Separate Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, separate meeting of Independent Directors of the Company was held on Wednesday 23<sup>rd</sup> March, 2022. 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 Programmes

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 skills/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, Research and Development and Innovation
Mr. Jaikaran Chandock	Leadership, Management & administration, Production and Marketing Research and Development and Innovation, Global Business, Business Acumen
Mr. Raghvendra Raj Mehta	Accounting & Finance, Corporate Governance Relationship & CSR
Mr. Radheshyam Soni	Accounting, Finance and Banking, Forex & risk management Sustainability
Ms. Shalu Bhandari	Legal, Corporate Governance Relationship

### Committees of the Board of Directors

In compliance with the requirements of the Companies Act, 2013 and the 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 organisation.

There are total 5 Statutory Committees as on 31<sup>st</sup> March, 2022 considering the need of best practice in Corporate Governance of the Company.

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

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

### 3. AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted as per Regulation 18 of the 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 is the Chairman of the Audit Committee. The Statutory Auditors are invited to Audit Committee Meetings held on 30<sup>th</sup> June, 2021, 10<sup>th</sup> August 2021, 02<sup>nd</sup> November, 2021 and 14<sup>th</sup> February, 2022.

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:

- 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, 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) Review of:
  - i) management discussion and analysis of financial condition and results of operations;
  - ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii) management letters / letters of internal control weaknesses issued by the statutory auditors;

- iv) internal audit reports relating to internal control weaknesses;
- v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- vi) 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;
- vii) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 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;

- viii) Review the compliance of the provision of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 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.

#### Audit Committee Meetings

During Financial Year 2021-22, 6 (Six) Audit Committee meetings were held. The meetings were held on 14<sup>th</sup> May, 2021, 30<sup>th</sup> June, 2021, 10<sup>th</sup> August, 2021, 31<sup>st</sup> August, 2021, 02<sup>nd</sup> November, 2021 and 14<sup>th</sup> February, 2022. The gap was not more than one hundred and twenty days between two Audit Committee meetings.

Mr. Aakash Joshi, 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	04	03
Mr. Radheshyam Soni	Member	04	04
Ms. Shalu Bhandari	Member	04	04
Mr. Trimaan Chandock	Member	03	03
Mr. Ashvin Thumar*	Chairman	02	02
Mr. Deepak Mehta*	Member	02	02
Ms. Sejal Soni*	Member	02	02

\*Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Directors w.e.f. 30<sup>th</sup> June, 2021.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the 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 the criteria for evaluation of performance of Independent Directors and the Board of Directors;

- c) 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;
- d) Recommend to the Board, appointment, and removal of Director, KMP and Senior Management Personnel;
- e) Devise a policy on diversity of Board of Directors;
- f) 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

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

#### Nomination and Remuneration Committee Meetings

During the financial year under review, 3 (three) meetings of the Nomination and Remuneration Committee were held. The meetings were held on 30<sup>th</sup> June, 2021, 31<sup>st</sup> August, 2021 and 02<sup>nd</sup> September, 2021.

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. Radheshyam Soni	Chairman	02	02
Mr. Raghvendra Raj Mehta	Member	02	01
Ms. Shalu Bhandari	Member	02	02
Mr. Ashvin Thumar*	Member	01	01
Mr. Deepak Mehta*	Member	01	01
Ms. Sejal Soni*	Chairman	01	01

\*Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Directors w.e.f. 30<sup>th</sup> June, 2021.

#### 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 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 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.

#### 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 2021-22 are as under:

Names of Non-Executive Directors	Sitting Fees (in Rs.)
Mr. Radheshyam Soni	2,20,000
Mr. Raghvendra Raj Mehta	1,80,000
Ms. Shalu Bhandari	2,20,000
Mr. Ashvin Thumar*	-
Mr. Deepak Mehta*	10,000
Ms. Sejal Soni*	10,000

\*Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Directors w.e.f. 30<sup>th</sup> June, 2021.

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 Directors

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 2021-22 are as follows:

(Amount in Rs.)

Name	Designation	Basic Salary	Company's contribution to provident fund	Perquisites	Variable	Gross Remuneration
Mr. Jaspalsingh Chandock	Managing Director	48,00,000	-	-	-	48,00,000
Mr. Trimaan Chandock	Whole-time Director	12,00,000	-	-	-	12,00,000
Mr. Jaikaran Chandock	Whole-time Director	12,00,000	-	-	-	12,00,000

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.

#### Service Contract

Jaspalsingh Chandock (DIN: 00813218), as the Chairman and Managing Director of the Company for the period of 3 years commencing from 19<sup>th</sup> November 2020.

Trimaan Jaspalsingh Chandock [DIN 02853445], as the Whole-Time Director of the Company for the period of 3 years commencing from 19<sup>th</sup> November 2020.

Jaikaran Jaspalsingh Chandock [DIN 06965738], as the Whole-Time Director of the Company for the period of 3 years commencing from 19<sup>th</sup> November 2020.

**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 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, Non-Executive Director is the Chairperson of the Committee and Mr. Aakash Joshi, Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6 of the Listing Regulations.

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

- 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.;
- Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / subdivision/ consolidation of shares, issue of renewed and duplicate share/debenture certificates etc.;
- Resolving the grievances of the shareholders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 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
- 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 31<sup>st</sup> March, 2022, 4 (Four) meetings of Stakeholders Relationship Committee were held i.e. on 30<sup>th</sup> June, 2021, 10<sup>th</sup> August, 2021, 02<sup>nd</sup> November,

2021, and 14<sup>th</sup> February, 2022. 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 meetings attended by the Member
Mr. Raghvendra Raj Mehta	Chairperson	03	03
Mr. Radheshyam Soni	Member	03	03
Ms. Shalu Bhandari	Member	03	03
Ms. Sejal Soni*	Chairperson	01	01
Mr. Ashvin Thumar*	Member	01	01
Mr. Deepak Mehta*	Member	01	01

\*Mr. Ashvin Thumar, Mr. Deepak Mehta and Ms. Sejal Soni resigned as Directors w.e.f. 30<sup>th</sup> June, 2021.

### Investor Complaints

The details of investor complaints received / redressed during the financial year 2021-22 is asunder:

Complaints as on 01.04.2021	Received during the year	Resolved during the year	Complaints not solved to the satisfaction of shareholders during the year.	Pending as on 31.03.2022
0	1	1	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:**

- 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;
- To recommend the amount of expenditure to be incurred on CSR activities;
- 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;
- To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;

- To provide a report on CSR activities to the Board of the Company periodically;
- To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;
- To monitor and review the CSR Policy of the Company from time to time; and
- 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 once during the year ended 31<sup>st</sup> March, 2022 i.e. on 14<sup>th</sup> February, 2022. 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. Raghvendra Raj Mehta	Chairman	01	01
Mr. Trimaan Chandock	Member	01	01
Mr. Jaikaran Chandock	Member	01	01

## 8. RISK MANAGEMENT COMMITTEE

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

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

- 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;
- To review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks. A framework and process to anticipate unpredictable risks should also be implemented;
- To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
- To review processes and procedures to ensure the effectiveness of internal systems of control,

so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;

- To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board on all categories of identified risks facing the Company;
- To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function; and
- To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.

It was determined by the Board that Risk Management Committee shall meet twice a year. 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 02<sup>nd</sup> November, 2021 and 14<sup>th</sup> February, 2022.

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. Radheshyam Soni	Member	02	02

## 9. 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 Resolutions
2020-21	Tuesday, 28 <sup>th</sup> September, 2021 at 10:00 A.M.	Vaishya Samaj Kalyan Kendra, Electric Industries Marg, Near Sai Service, Borivali (East), Mumbai-400066	<ul style="list-style-type: none"> <li>Revision in the remuneration of Mr. Jaspalsingh Chandock, Chairman and Managing Director (DIN 00813218) of the Company.</li> <li>Revision in the remuneration of Mr. Trimaan Chandock, Whole Time Director (DIN 02853445) of the Company.</li> <li>Revision in the remuneration of Mr. Jaikaran Chandock, Whole Time Director (DIN 06965738) of the Company.</li> <li>To Approve Scheme of loan for Managing Director.</li> </ul>
2019-20	Wednesday, 23 <sup>rd</sup> December, 2020, at 09:30 A.M.	Kriish Cottage, C-101/201, Manas Building, Near St. Lawrence High School, Devidas Lane, Borivali (west), Mumbai 400103.	<ul style="list-style-type: none"> <li>Regularisation of Additional Director Mr. Jaspalsingh Chandock [DIN 00813218] as Chairman and Managing Director.</li> <li>Re-appointment of Mr. Ashvin Rajabhai Thumar [DIN 05142024] as an Independent Director of the Company.</li> </ul>
2018-19	Wednesday, 25 <sup>th</sup> September, 2019, at 10:15 A.M.	Kriish Cottage, C-101/201, Manas Building, Near St. Lawrence High School, Devidas Lane, Borivali (west), Mumbai 400103.	NIL

### Extraordinary General Meetings

During the Year 2021-22 One Extra Ordinary General Meeting (EOGM) was held on 07<sup>th</sup> April 2021 the details of which are as follows:

The Following Ordinary and Special Resolutions as set out in the Notice of EOGM dated 01<sup>st</sup> March 2021 are passed by the members by way of Extra Ordinary General Meeting through voting by electronic means ("Remote E-voting):

S. No.	Particulars
1	Increase in Authorised Share Capital of the Company
2	Alteration of Memorandum of Association of the Company
3	Issue of Equity Shares on Preferential Allotment basis to the Non Promoters (Public Category)

### 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.

### Whether any special resolution is proposed to be conducted through postal ballot

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

## 10. MEANS OF COMMUNICATION

Quarterly Results	<p>The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in (Active Times –Mumbai Edition having country-wide circulation and in Marathi Newspapers (Lakshadeep - Mumbai Edition) where the registered office of the Company is situated.</p> <p>These results were also placed on the Company's website i.e. <a href="https://www.baluindustries.com">https://www.baluindustries.com</a></p>		
	Quarter	Date of Board Meeting	Date of Publication
	1 <sup>st</sup> Quarter	10.08.2021	12.08.2021
	2 <sup>nd</sup> Quarter	02.11.2021	03.11.2021
	3 <sup>rd</sup> Quarter	14.02.2022	16.02.2022
	4 <sup>th</sup> Quarter	24.05.2022	26.05.2022

Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website: <a href="https://www.baluindustries.com">https://www.baluindustries.com</a>
	The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> and the same is also uploaded on the website of the Company <a href="https://www.baluindustries.com">https://www.baluindustries.com</a>
Designated E-mail address for investor services	To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints is <a href="mailto:compliance@baluindustries.com">compliance@baluindustries.com</a>

## 11. GENERAL SHAREHOLDER INFORMATION

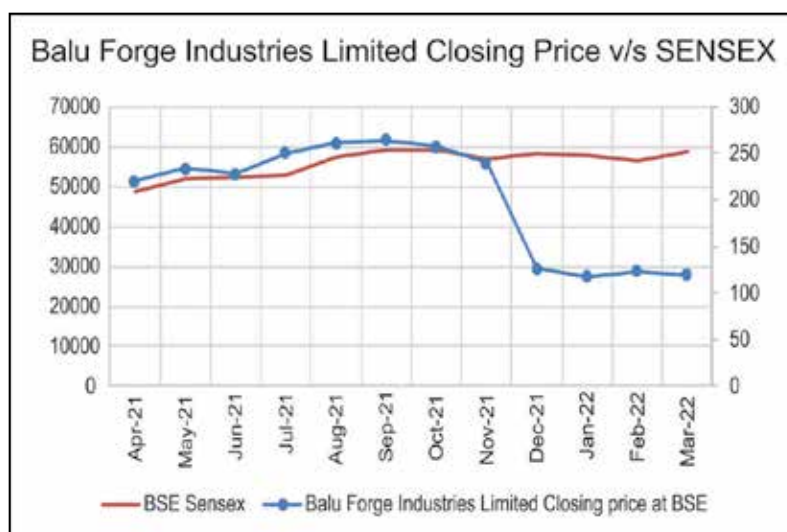
AGM date, time and venue	Friday, 30 <sup>th</sup> September, 2022, 11:00 a.m. through Video Conferencing (VC) or other Audio Visual Means (OAVM)
Financial Year	April to March
Dividend Payment Date	The Directors had declared one interim dividend of Re.0.10 per equity share and the payment date for the same was 26 <sup>th</sup> November 2021
Registered Office along with its CIN	506, 5th Floor, Imperial Palace, 45 Tally Park Road, Andheri (East), Mumbai – 400 069. CIN: L29100MH1989PLC255933
Name and Address of Stock Exchanges where Company's securities are listed	ISIN: INE011E01029 <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 531112
Listing fees	The Annual Listing fees for the financial year 2022-23 have been paid to the Stock Exchange.
Share Registrar and Transfer Agents	<b>M/s Skyline Financial Services Pvt. Ltd</b> A/505, Dattani Plaza, A K Road, Safed Pool, Andheri (East), Mumbai – 400 072 Tel: 022 - 49721245 / 28511022 Email: <a href="mailto:pravin.cm@skylinerta.com">pravin.cm@skylinerta.com</a> ; <a href="mailto:mumbai@skylinerta.com">mumbai@skylinerta.com</a>
Address for Correspondence	a) <b>For Securities held in Demat form:</b> The investor's Depository Participant and/or M/s Skyline Financial Services Pvt. Ltd. b) <b>Balu Forge Industries Ltd. Investor Relation Centre</b> Mr. Aakash P. Joshi Company Secretary & Compliance officer E-mail: <a href="mailto:compliance@baluindustries.com">compliance@baluindustries.com</a> Tel No: +91 8655075578
Company Secretary & Compliance officer	Mr. Aakash Joshi

### Market Price Data

The high and low prices and volumes of your Company's shares at BSE for the financial year 2021-22 are as under:

Month & Year	BALUFORGE		BSE SENSEX	
	High	Low	High	Low
April 2021	226.75	206.00	50375.77	47204.50
May 2021	246.90	215.55	52013.22	48028.07
June 2021	254.60	216.05	53126.73	51450.58
July 2021	269.45	221.10	53290.81	51802.73
August 2021	262.00	238.95	57625.26	52804.08
September 2021	269.90	244.00	60412.32	57263.90
October 2021	276.45	252.00	62245.43	58551.14
November 2021	265.95	235.10	61036.56	56382.93
December 2021	239.00	94.40	59203.37	55132.68
January 2022	131.65	110.15	61475.15	56409.63
February 2022	143.00	113.00	59618.51	54383.20
March 2022	129.00	112.05	58890.92	52260.82

### Performance of Share Price in Comparison to S&P BSE 100



### Share Transfer System

The Shareholders' Relationship Committee meets on a periodic basis and as and when necessary. As per direction of SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository.

As per circular issued by SEBI in this regard, shareholders who are still holding share certificate(s) in physical form have been advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation.

### Updating KYC details

Pursuant to SEBI Circular Number SEBI / HO/ MIRSD/ MIRSD \_ RTA MB /P/CIR/2021/655 dated 3<sup>rd</sup> November 2021, the Company had sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination.

Attention of the Members holding shares of the Company in physical form is invited:

- To go through the said important communication under the web link at <https://www.baluindustries.com/investors-kit.php>
- To get their equity shares converted into demat / electronic mode as transfer and issuance of equity shares in physical form have been disallowed by SEBI.

- To make / change a nomination in respect of their shares and submit in the prescribed Forms SH-13 / SH-14 to the Registrar and Share Transfer Agent.

Shareholders holding shares in physical form and not complied with the aforesaid SEBI Circular are requested to furnish the above referred documents to the Registrar and Share Transfer Agent.

### Shareholding pattern of the Company as on 31<sup>st</sup> March, 2022

Category of Shareholder	Number of Shares	% of Total Shares
Promoters	5,45,26,060	66.24
Individuals	1,38,97,591	16.88
Foreign Portfolio Investor	96,60,090	11.74
Body Corporate Indian	30,45,051	3.70
HUF	1,27,561	0.15
Non-Resident Indian	6,15,796	0.75
Clearing Members	5,491	0.01
Trust	1,00,000	0.12
Firms	3,37,246	0.41
<b>Grand Total</b>	<b>8,23,14,886</b>	<b>100</b>

### Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31<sup>st</sup> March, 2022 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Shares Holding Amount	% of Issued Capital
Up To 5,000	2,755	85.85	22,98,840	0.28
5,001 To 10,000	123	3.83	10,15,970	0.12
10,001 To 20,000	77	2.40	12,00,800	0.15
20,001 To 30,000	29	0.90	7,75,080	0.09
30,001 To 40,000	23	0.72	8,53,090	0.10
40,001 To 50,000	28	0.87	13,83,880	0.17
50,001 To 1,00,000	53	1.65	43,67,190	0.53
1,00,000 and Above	121	3.77	81,12,54,010	98.55
<b>Total</b>	<b>3,209</b>	<b>100.00</b>	<b>82,31,48,860</b>	<b>100.00</b>

### 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

There was no such transaction during the Financial Year 31<sup>st</sup> March, 2022.

### 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 Account of the Company liable to be transferred to the Investor Education and Protection Fund ("IEPF").

### Unclaimed Shares

The Company has 75,674 unclaimed equity shares of 756 shareholders lying with the Company. During the

year the company has issued 1380 Number of Shares to the 16 shareholders from whom the Company/RTA received the request.

### 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 31<sup>st</sup> March, 2022, total Equity Shares representing 99.78 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 and Dematerialised Shares as on 31 <sup>st</sup> March, 2022	Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	5,94,00,743	80.09%
No. of Shares held in dematerialised form in NSDL	1,46,00,089	19.69%
No. of Physical Shares	1,64,054	0.22%
<b>Total</b>	<b>7,41,64,886</b>	<b>100%</b>

**Note:** In the meeting of Board of Directors held on 23<sup>rd</sup> March 2022, Board allotted 81,50,000 Equity Shares of Rs. 10 each fully paid up on account of conversion of 81,50,000 warrants of Rs. 10 each. However, listing and trading approval from stock exchange was received on 16<sup>th</sup> May 2022 and 23<sup>rd</sup> May 2022 respectively.

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

There are no outstanding GDRs/ADRs. The Company issued 92,00,000 Warrants of which 81,50,000 was converted on 23<sup>rd</sup> March, 2022 and remaining 10,50,000 was converted on 29<sup>th</sup> April, 2022 for which the company had received Rs 6,90,00,000 which were used for

the objects stated in the Postal Ballot Notice and the Explanatory Statement of Notice, dated 3<sup>rd</sup> August, 2020 and there has been no Category wise variation between projected utilization of funds as stated in the explanatory statement to the notice for the Postal Ballot.

### 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**

Plant 43-B & 44-A, Kakati Industrial Area, Kakati, Belgaum 591113, Karnataka, India

## **12. 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 (LODR) Regulations, 2015 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) have been made in the notes to the 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 Listing Regulations for the quarters ended June 2020, September 2020, and December 2020 and paid the penalty as levied by the Stock Exchange. Apart from the aforesaid matter, there were no other non-compliance 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.

### **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 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](http://www.baluindustries.com).

During the financial year 2021-22, 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 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 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 Company had not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year ended 31<sup>st</sup> March, 2022.

**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 Crisil Ratings Limited vide its letter dated 31<sup>st</sup> January 2022 for its bank facilities as follows;

Sr. No.	Instruments	Rating
1.	Packing Credit	BBB-/Stable
2.	Post Shipment Credit	A3

Out of the total fund raised by the Company under preferential issue, an amount of \*Rs. 78,75,000/- is unutilized as on 31<sup>st</sup> March, 2022

Sr. No	Particulars	Actual Utilization of proceeds upto 31 <sup>st</sup> March, 2021	Actual Utilization of proceeds upto 31 <sup>st</sup> March, 2022
1.	The funds raised from the proposed issue of Equity Shares and Warrants is utilized for a combination of part funding of the expenditure for expansion, support growth plans of the Company long-term working capital, general corporate purposes.	Rs. 22.73 Crores	Rs. 51.07 Crores

\*The Company had also received Rs. 78,75,000/- on 10,50,000 Warrants at an exercise Price of Rs. 7.50/- per warrant. However, the said Amount is lying in a separate bank account and not yet utilized till 31.03.2022 and hence the issue of deviation does not arise

**I. 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 is attached with this Annual Report.

**J. MD/CFO certification**

Certificate from Mr. Jaspalsingh Chandock, Chairman & Managing Director and Mr. Mitesh Dani, Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the financial year 2021-2022 was placed before the Board at its meeting held on 24<sup>th</sup> May, 2022, and also forms part of this Annual Report.

**K. 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.

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

**H. Details of utilization of funds raised through Preferential Issue**

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is as under

**L. 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 2021-22.**

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 31<sup>st</sup> March, 2022 is ₹ 6,05,000/- [Rupees Six Lakh Five Thousand Only]

**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 Listing Regulations.

**14. 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 Listing Regulations, wherever applicable to your Company.

**15. COMPLIANCE WITH DISCRETIONARY REQUIREMENT**

The Company has not implemented with Part E of schedule II under Regulation 27 of the Listing Regulations.

## 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 31<sup>st</sup> March, 2022.

Place: Mumbai  
Date: 05<sup>th</sup> September 2022

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

# CERTIFICATE ON 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, Imperial Palace, 45, Telly Park Road,  
Andheri (E), Mumbai - 400069

I 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, Maharashtra, 400069, India. (hereinafter referred to as 'the Company') produced before me by 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March 2022 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	Date of Appointment in 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	30/06/2021	-
5.	Radhey Shyam Soni	07962657	30/06/2021	-
6.	Shalu Laxmanraj Bhandari	00012556	30/06/2021	-
7.	Ashvin Thumar	05142024	18/10/2012	30/06/2021
8.	Deepak Mehta	00046696	14/02/2017	30/06/2021
9.	Sejal Soni	07751759	14/02/2017	30/06/2021

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.

**Disclaimer:** We have not been made available with details or clarification or Non-Applicability certificate, with respect to debarment or disqualification pursuant to any order from civil or criminal court and thus we are unable to conclude any opinion on attraction of disqualification by any such order which have not been presented before us for reporting.

**For, JAYMIN MODI & CO.**  
Company Secretaries

**Jaymin Modi**

Company Secretary

ACS: 44248

COP: 16948

PRC: 2146/2022

UDIN: A044248D000860580

Date: 27<sup>th</sup> August 2022

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, Maharashtra, 400069.

1. The Corporate Governance Report prepared by Balu Forge Industries Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2022. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

## Management Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## Our Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. The procedures selected depend on our judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records of the Company. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis.

## Opinion

7. Based on the procedures performed by us as referred above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2022.

## Other Matters and restriction on use

8. This Certificate 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.
9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.
10. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For, JAYMIN MODI & CO.**  
Company Secretaries

**Jaymin Modi**  
Company Secretary  
ACS: 44248  
COP: 16948  
PRC: 2146/2022

Place: Mumbai  
Date: 26<sup>th</sup> August 2022

## 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, 2022 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 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (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) We 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:
  - i. significant changes in internal control during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. 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

Place: Mumbai  
Date: 24<sup>th</sup> May, 2022

For **Balu Forge Industries Limited**

Sd/-  
**Mitesh Dani**  
Chief Financial Officer

# **Standalone Financial Statements**

## **FY 2021-22**

# INDEPENDENT AUDITOR'S REPORT

To

**The Members Of**

**Balu Forge Industries Limited**

(Formerly Known as M/s Amaze Entertech 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, 2022, 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, 2022, 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.

Key Audit Matter	Auditor's Response
<p><b>Valuation of Inventories</b></p> <p>Valuation of Inventories is done as mentioned in Note no. 5(c) on Significant Accounting Policies of the standalone IND AS Financial Statements</p> <p>At the balance sheet date, the value of inventory amounted to INR 4,079.72 Lakhs representing 14% of total assets and 26% of total equity. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgment. According to the standalone financial statements' accounting principles inventories are measured at the lower of cost or net realizable value. The company has specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ol style="list-style-type: none"> <li>the compliance of company's accounting policies over inventory with applicable accounting standards.</li> <li>Selected a sample of inventory items and compared the quantities counted to the quantities recorded</li> <li>assessing the analyses and assessment made by management with respect to slow moving and obsolete stock.</li> </ol> <p>We assessed the adequacy of the company's disclosures related to inventories.</p>

Key Audit Matter	Auditor's Response
<p>The Inventory of the Company comprises Raw Material, Work-in-Progress and Finished Goods. These are mostly stored in the factory premises of the company. These Inventories are physically counted at regular / periodic intervals.</p> <p><b>Trade Receivables</b></p> <p>The Recoverability of Trade Receivables and the level of Provision for Doubtful debts are considered to be a significant risk due to the pervasive nature of these balances to the standalone financial statements and the importance of cash collection with reference to the working capital management of the Business</p> <p>At the balance sheet date, the value of Trade Receivables amounted to INR 13,023.08 Lakhs representing 46% of total assets and 82 % of total equity.</p> <p>Refer Note No.16 for relevant disclosures of Trade Receivables</p>	<p>To address the risk for material error on Trade Receivables, our audit procedures included amongst other:</p> <ol style="list-style-type: none"> <li>1. assessing the design and implementation of key controls around the monitoring of recoverability</li> <li>2. Discussing with the management regarding the level and ageing of trade receivables along with the consistency and appropriateness of receivables provisioning by assessing recoverability with reference to amount received in respect of Trade Receivables.</li> </ol>

### 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, Chairman's report 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 section 143(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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 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 31<sup>st</sup> March, 2022.
  - iv. (a) 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.
  - (b) 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.
- (c) 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.
- i. The dividend declared or paid during the year by the company is in compliance with Section 123 of the Act.
  1. As required by the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M. B. Agrawal & Co.**

Chartered Accountants

(Firm's Registration No.100137W)

**Leena Agrawal**

Partner

Place: Mumbai

Date: 24<sup>th</sup> May, 2022

(Membership No.061362)

UDIN: 22061362AJODUB8140

## ANNEXURE 'A'

**(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 2022, 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. 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. According to the information and explanations given to us, 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.  
  
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 2022 for holding any benami property under the

Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder.

- ii. (a) The inventories (except for goods-in-transit and stock lying with third parties) were physically verified by the management at reasonable intervals during the year. 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 on such physical verification of inventories / alternate procedures performed as applicable when compared with books of accounts.
- (b) According to the information and explanations given to the Company has been sanctioned working capital facility from banks or financial institutions and in excess of five crore rupees on the basis of security of current assets and the quarterly stock statements filed by the Company are in agreement with the books of accounts of the Company.
- iii. The Company has provided loans during the year and the outstanding balance of loans as at March 31, 2022 are given below:

In Rs Lakhs		
	Loans	Investments
<b>A. Aggregate amount granted / provided during the year</b>		
Subsidiaries	191.69	32.33
<b>B. Balance outstanding as at balance sheet date in respect of above cases*</b>		
Subsidiaries	144.93	32.33

\*The amounts reported are gross amounts including accrued interest.

The company has not provided any guarantee or security to any other entity during the year.

No loans granted by the company have fallen due during the year as above loans are payable on demand without specifying any terms or period of repayment.

- 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 31<sup>st</sup> March 2022 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	Due Date	Date of Payment
Profession Tax	Profession Tax (Employees)	8,800	30/06/2021	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 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 2022.
  - 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)

**Leena Agrawal**  
Partner

(Membership No.061362)  
UDIN: 22061362AJODUB8140

Date: 24<sup>th</sup> May, 2022  
Place: Mumbai

## ANNEXURE 'B'

**(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, 2022 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,

2022, 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 the internal control is needed.

Place: Mumbai

Date: 24<sup>th</sup> May, 2022

**For M. B. Agrawal & Co.**

Chartered Accountants

(Firm's Registration No.100137W)

**Leena Agrawal**

Partner

(Membership No.061362)

UDIN: 22061362AJODUB8140

# BALANCE SHEET

as at 31 March 2022

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	6	898.65	808.00
(b) Right-of-use assets	7	78.57	178.51
(c) Capital work-in-progress	8	666.98	-
(d) Intangible assets	9	4.32	0.36
(e) Goodwill	9	3,254.45	3,254.45
(f) Financial assets			
i. Investment in subsidiaries	10	32.33	-
ii. Other financial assets	11	48.87	17.68
(g) Deferred tax assets (net)	12	-	59.77
(h) Other non-current assets	13	29.87	0.06
<b>Total non-current assets</b>		<b>5,014.04</b>	<b>4,318.83</b>
<b>2 Current assets</b>			
(a) Inventories	14	4,079.72	1,993.52
(b) Financial assets			
i. Trade receivables	15	13,023.08	6,072.54
ii. Cash and cash equivalents	16	586.80	236.76
iii. Bank balances other than cash and cash equivalents	17	120.29	69.46
iv. Loans	18	176.11	63.70
v. Other financial assets	19	674.95	709.00
(c) Other current assets	20	4,814.33	3,666.89
(d) Current tax assets (net)		-	5.47
<b>Total current assets</b>		<b>23,475.28</b>	<b>12,817.34</b>
<b>Total Assets</b>		<b>28,489.32</b>	<b>17,136.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	21	8,231.49	6,861.50
(b) Other equity	22	7,692.18	889.66
<b>Total equity</b>		<b>15,923.67</b>	<b>7,751.16</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	23	742.89	1,035.28
ii. Lease liability	7	48.79	158.98
(b) Provisions	24	74.53	65.46
(c) Deferred tax liabilities (net)	12	4.47	-
<b>Total non-current liabilities</b>		<b>870.68</b>	<b>1,259.72</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	25	3,908.66	1,353.67
ii. Lease liability	7	38.93	51.68
iii. Trade payables due to Micro and small enterprises	26	-	88.39
Others than micro and small enterprises		4,508.28	4,667.52
iv. Other financial liabilities	27	2,260.84	1,847.20
(b) Other current liabilities	28	101.75	101.81
(c) Provisions	29	14.88	15.02
(d) Current tax liability (net)		861.63	-
<b>Total current liabilities</b>		<b>11,694.97</b>	<b>8,125.29</b>
<b>Total Equity and Liabilities</b>		<b>28,489.32</b>	<b>17,136.17</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For M. B. Agrawal &amp; Co.

Chartered Accountants  
Firm's Reg. No.: 100137W  
Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJODUB8140

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman &amp; Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>I. Income</b>			
i. Revenue from operations	30	28,505.80	14,208.50
ii. Other income	31	852.62	524.79
<b>Total Income</b>		<b>29,358.42</b>	<b>14,733.29</b>
<b>II. Expenses</b>			
i. Cost of materials consumed		22,824.77	11,955.63
ii. Changes in inventories of finished goods, stock in trade and work-in-progress	32	(873.44)	(883.33)
iii. Employee benefits expense	33	523.63	349.00
iv. Depreciation and amortisation expense	34	105.40	114.47
v. Finance costs	35	522.91	660.73
vi. Other expenses	36	2,266.66	1,562.89
<b>Total Expenses</b>		<b>25,369.93</b>	<b>13,759.39</b>
<b>III. Profit before tax (I-II)</b>		<b>3,988.49</b>	<b>973.90</b>
IV. Exceptional items		(20.50)	-
<b>V. Profit before tax (III-IV)</b>		<b>3,967.99</b>	<b>973.90</b>
<b>VI. Tax expense</b>			
i. Prior period tax		(9.33)	-
ii. Current tax	12	875.00	225.00
iii. Deferred tax		58.41	(12.98)
<b>VII. Profit after tax (V-VI)</b>		<b>3,043.91</b>	<b>761.88</b>
VIII. Other comprehensive income			
A. Items that will not be reclassified to profit & loss in subsequent periods			
i. Re-measurement gains (losses) on defined benefit plans	37	23.19	(136.27)
ii. Income tax effect on such items		(5.84)	34.30
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>17.35</b>	<b>(101.97)</b>
<b>IX. Total comprehensive income for the year, net of tax (VII-VIII)</b>		<b>3,061.26</b>	<b>659.91</b>
X. Earnings per equity share of ₹ 10 each:			
i. Basic (in ₹)	38	4.09	1.85
ii. Diluted (in ₹)		4.04	1.64

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For M. B. Agrawal & Co.

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJODUB8140

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman & Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

## A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	No. of Shares	Amount
<b>As at 1 April 2020</b>	<b>3,50,000</b>	<b>35.00</b>
Changes in equity share capital during the year	6,82,65,000	6,826.50
<b>As at 31 March 2021</b>	<b>6,86,15,000</b>	<b>6,861.50</b>
Changes in equity share capital during the year	1,36,99,886	1,369.99
<b>As at 31 March 2022</b>	<b>8,23,14,886</b>	<b>8,231.49</b>

## B. OTHER EQUITY

(₹ in Lakh)

Particulars	Share warrants	Reserves and surplus		Other comprehensive income	Total equity
		Securities premium	Retained earnings / (losses)	Remeasurements of defined benefit obligations	
<b>As at 1 April 2020</b>	-	-	(0.24)	-	(0.24)
Net income / (loss) for the year	-	-	761.88	-	761.88
Share Warrants issued	230.00	-	-	-	230
Other comprehensive income	-	-	-	(101.97)	(101.97)
<b>As at 31 March 2021</b>	<b>230.00</b>	<b>-</b>	<b>761.64</b>	<b>(101.97)</b>	<b>889.66</b>
<b>As at 1 April 2021</b>	<b>230.00</b>	<b>-</b>	<b>761.64</b>	<b>(101.97)</b>	<b>889.66</b>
Net income / (loss) for the year	-	-	3,043.91	-	3,043.91
Securities premium credited on Share issue	-	3,940.42	-	-	3,940.42
Share warrants redeemed	(125.00)	-	-	-	(125.00)
Proposed dividend	-	-	(74.16)	-	(74.16)
Other comprehensive income	-	-	-	17.35	17.35
<b>As at 31 March 2022</b>	<b>105.00</b>	<b>3,940.42</b>	<b>3,731.38</b>	<b>(84.62)</b>	<b>7,692.18</b>

The above Statement of Change in Equity should be read in conjunction with the accompanying notes.

### As per our report of even date

**For M. B. Agrawal & Co.**

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJODUB8140

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman & Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

**For and on behalf of the Board of Directors**

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		3,967.99		973.90
Adjustment for:				
Depreciation & amortisation expense	105.40		114.47	
Interest income	(45.22)		(7.10)	
Finance costs (net)	522.91		660.73	
Bad debts, loans and advances written off/written back (net)	97.92	681.01	-	768.10
<b>Operating profit before working capital changes</b>		<b>4,649.00</b>		<b>1,742.00</b>
Adjustment for:				
(Increase)/decrease in inventories	(2,086.20)		(966.45)	
(Increase)/decrease in trade receivables	(7,048.46)		(2,032.45)	
(Increase)/decrease in other receivables	(1,277.86)		(1,203.05)	
Increase/(decrease) in trade and other payables	723.29		4,324.22	
Increase/(decrease) in provisions	8.93	(9,680.30)	80.48	202.75
<b>Cash flow from operations</b>		<b>(5,031.30)</b>		<b>1,944.75</b>
Income taxes paid (net of refund received)		(715.44)		(212.02)
<b>Net cash generated from operating activities</b>		<b>(5,746.74)</b>		<b>1,732.73</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant & equipment, intangible assets including under development and capital advances	(767.05)		(323.14)	
<b>Net cash used in investing activities</b>		<b>(767.05)</b>		<b>(323.14)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital	1,369.99		2,042.50	
Proceeds from issue of share warrants	(125.00)		230.00	
Proceeds from share premium	3,940.42		-	
Investment in subsidiary	(32.33)			
Proceeds/ (repayment) of long term borrowings (net)	(292.39)		(1,556.16)	
Proceeds/ (repayment) of short term borrowings (net)	2,554.99		(1,248.17)	
Interest income	45.22		7.10	
Dividend paid	(74.16)		-	
Finance costs (net)	(522.91)		(660.73)	
<b>Net cash used in financing activities</b>		<b>6,863.83</b>		<b>(1,185.46)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>350.04</b>		<b>224.13</b>
Cash and cash equivalents at the beginning of the year		236.76		12.63
<b>Cash and cash equivalents at the end of the year</b>		<b>586.80</b>		<b>236.76</b>
<b>Components of cash and cash equivalents at the end of the year</b>				
Cash on hand		21.70		57.74
Balance in current account and deposits with banks		565.10		179.02
<b>Cash and cash equivalents at the end of the year</b>		<b>586.80</b>		<b>236.76</b>

# STATEMENT OF CASH FLOWS

## Reconciliation of liabilities arising from financing activities:

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	As at 31 March 2021	Cash flows	Foreign exchange movement	Interest accrued/ adjustments	As at 31 March 2022
Long term borrowings	1,689.16	(927.41)	-	115.14	876.89
Short term borrowings (including bill discounting)	6,420.09	2,807.14	-	300.98	9,528.21
Lease liabilities	210.66	(41.24)	-	(81.70)	87.72
<b>Total liabilities from financing activities</b>	<b>8,319.91</b>	<b>1,838.49</b>		<b>334.42</b>	<b>10,492.82</b>

Particulars	As at 31 March 2020	Cash flows	Foreign exchange movement	Interest accrued/ adjustments	As at 31 March 2021
Long term borrowings	1,830.19	(305.32)	-	164.29	1,689.16
Short term borrowings ( including bill discounting)	7,482.91	(1,451.12)	-	388.30	6,420.09
Lease liabilities	-	(43.08)	-	253.74	210.66
<b>Total liabilities from financing activities</b>	<b>9,313.10</b>	<b>(1,799.52)</b>	-	<b>806.33</b>	<b>8,319.91</b>

The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## As per our report of even date

### For M. B. Agrawal & Co.

Chartered Accountants  
Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJODUB8140

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman &amp; Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

### For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# NOTES ON THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 1. CORPORATE INFORMATION

Balu Forge Industries Limited (Formerly known as Amaze Entertech Limited) (the company) having Corporate Identity Number L29100MH1989PLC255933. Earlier, the company was dealing in diversified business primarily in areas of Information Technologies and allied operations on its own or joint ventures with others. As an effect of reverse merger with M/s Balu India, a sole proprietary concern which was incorporated in India in the year 1989, it is a preferred supplier of crankshafts to OEMs in India and around the world with manufacturing facilities at Belagavi in Karnataka. The Equity Shares of the Company is listed on Bombay Stock Exchange in India.

## 2. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

### Amendments applicable from April 01, 2022

The Ministry of Corporate Affairs vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

### Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the company has changed the classification/ presentation of (i) current maturities of long-term borrowings (ii) security deposits.

- The current maturities of long-term borrowings (including interest accrued) have now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
- security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

## 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 Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March 2022, 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 Company for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Board of Directors on 24 May 2022.

## 4. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### Basis of preparation and compliance with Ind AS

The financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention 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).

### Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current only.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

### Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

## 5. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### a. 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 derecognised 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 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 2021, 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 Vehicle	8
5	Electrical Installation	10
6	Factory building	30
7	Furniture & Fixtures	10
8	Computers - Server & Networks	6
9	Software	5
10	Motor Vehicle	10

### 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.

### b. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost' in accordance with the option available in Ind AS 27, 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. 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.

### c. 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.

#### d. Revenue Recognition

##### 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 when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. 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.

#### e. Leases

The Company has adopted Ind AS 116 "Leases" and accordingly accounted for leases as below:

##### As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases 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.

Payments associated with short-term leases and 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 a lease term of 12 months or less.

##### 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 amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

##### 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. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in

negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### **f. Foreign Currency Transactions**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

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.

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.

#### **g. Income taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

##### **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.

#### **h. 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.

#### **i. 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.

#### j. Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

##### Post-employment benefits Defined contribution plan

Employee Benefit under defined contribution plans comprises of Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan.

##### Defined benefit plan

Defined benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which are computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in

retained earnings in the statement of changes in equity and in the balance sheet and will not be re-classified to Statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits 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.

#### k. Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a liability is recognised when the Company becomes a Party to the contractual provision of the instrument.

##### i. Financial Assets

Financial assets include cash and cash equivalent, trade and other receivables, investments in securities and other eligible current and non-current assets.

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for the derecognition under Ind-AS 109.

### Investment in Equity shares

Investments in equity securities (Other than Investment in Subsidiaries & Joint Venture) are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss.

### Investment in Subsidiaries & Joint Venture

Investments in subsidiaries and Joint Venture are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

The company assesses impairment based on expected credit loss (ECL) model to all its financial assets measured at amortised cost.

## ii. Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

Financial liabilities include long term and short-term loan and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities recognized initially at fair value and, in the case of loans and borrowing and other payable, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories.

## 1. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

## 2. Financial liabilities measured at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of financial liability. The EIR amortization is included in finance expense in the profit and loss.

### De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## iii. Offsetting financial instrument

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## I. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## m. 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.

## n. Cash flow statement

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit / (Loss) for the effects of:

- Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses and

- iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

#### o. 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 including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

## 6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Motor Vehicles	Office Equipments	Furniture & Fixture	Computers	Total Assets
<b>Gross Carrying Amount</b>									
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Additions	0.83	91.10	582.99	28.44	145.64	7.79	6.84	1.47	865.10
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>0.83</b>	<b>91.10</b>	<b>582.99</b>	<b>28.44</b>	<b>145.64</b>	<b>7.79</b>	<b>6.84</b>	<b>1.47</b>	<b>865.10</b>
						-			
Additions	-	-	154.08	-	-	3.45	-	0.19	157.72
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>0.83</b>	<b>91.10</b>	<b>737.07</b>	<b>28.44</b>	<b>145.64</b>	<b>11.24</b>	<b>6.84</b>	<b>1.66</b>	<b>1,022.82</b>
<b>Accumulated depreciation</b>									
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	2.88	32.19	2.70	16.84	1.40	0.63	0.46	57.10
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>2.88</b>	<b>32.19</b>	<b>2.70</b>	<b>16.84</b>	<b>1.40</b>	<b>0.63</b>	<b>0.46</b>	<b>57.10</b>
Depreciation charge for the year	-	2.90	41.20	2.70	17.29	1.83	0.65	0.50	67.07
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>5.78</b>	<b>73.39</b>	<b>5.40</b>	<b>34.13</b>	<b>3.23</b>	<b>1.28</b>	<b>0.96</b>	<b>124.17</b>
<b>Net book value</b>									
<b>As at 31 March 2022</b>	<b>0.83</b>	<b>85.32</b>	<b>663.68</b>	<b>23.04</b>	<b>111.51</b>	<b>8.01</b>	<b>5.56</b>	<b>0.70</b>	<b>898.65</b>
<b>As at 31 March 2021</b>	<b>0.83</b>	<b>88.22</b>	<b>550.80</b>	<b>25.74</b>	<b>128.80</b>	<b>6.39</b>	<b>6.21</b>	<b>1.01</b>	<b>808.00</b>

Property, plant and equipment given as security, refer to note 23.1 and 25.

## 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

(₹ in Lakh)

Particulars	Building
<b>Right-of-use assets as on 1 April 2020</b>	-
Additions	235.84
Deductions	-
Depreciation expense	57.33
<b>At 31 March 2021</b>	<b>178.51</b>
Additions	-
Deductions	62.11
Depreciation expense	37.83
<b>At 31 March 2022</b>	<b>78.57</b>

Particulars	Building
<b>Lease liabilities as on 1 April 2020</b>	-
Additions	234.08
Interest accrued	19.66
Lease payments	43.08
<b>At 31 March 2021</b>	<b>210.66</b>
Additions	-
Deduction	88.65
Interest accrued	6.95
Lease payments	41.24
<b>At 31 March 2022</b>	<b>87.72</b>
Short term lease liability	48.79
Long term lease liability	38.93

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 Lakh)

Particulars	As at 31st March 2022				
	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	666.98	-	-	-	666.98
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>666.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>666.98</b>

Particulars	As at 31st March 2021				
	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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9. INTANGIBLE ASSETS AND GOODWILL

(₹ In Lakh)

Particulars	Goodwill (Refer Note)	Computer Software	Amount
<b>Cost</b>			
<b>As at 1 April 2020</b>	-	-	-
Additions	# 3,254.45	0.40	3254.85
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>3,254.45</b>	<b>0.40</b>	<b>3254.85</b>
Additions	-	4.46	4.46
Disposals	-	-	-
<b>As at 31 March 2022</b>	<b>3,254.45</b>	<b>4.86</b>	<b>3,259.31</b>
<b>Accumulated amortisation</b>			
As at 1 April 2020	-	-	-
Amortisation	-	0.04	0.04
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>0.04</b>	<b>0.04</b>
Amortisation	-	0.50	0.50
Disposals	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>0.54</b>	<b>0.54</b>
<b>Net book value :</b>			
<b>As at 31 March 2022</b>	<b>3,254.45</b>	<b>4.32</b>	<b>3258.77</b>
<b>As at 31 March 2021</b>	<b>3,254.45</b>	<b>0.36</b>	<b>3254.81</b>

# 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 2022 as the recoverable value of the cash generating unit exceeded the carrying value.

## 10. INVESTMENT IN SUBSIDIARIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balu Advanced Technologies & Systems Pvt Ltd (10,000 Fully paid Equity Shares of ₹ 10/- each)	1.00	-
Naya Energy Works Pvt. Ltd. (10,000 Fully paid Equity Shares of ₹ 10/- each)	1.00	-
Safa Otomotiv FZ-LLC (150 Fully paid Equity Shares of AED 1000/- each)	30.33	-
<b>Total</b>	<b>32.33</b>	<b>-</b>

## 11. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	48.87	17.68
<b>Total</b>	<b>48.87</b>	<b>17.68</b>

## 12. 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.

### A. Income tax expense

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Tax	875.00	225.00
Deferred tax liabilities (Net)	58.41	(12.98)
(Excess) / short provision of tax of earlier years	(9.33)	-
<b>Total tax expense</b>	<b>924.08</b>	<b>212.02</b>

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 Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Profit before tax</b>	<b>3,967.99</b>	<b>973.90</b>
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory rate	998.74	245.13
Tax effect of amounts which are deductible / not deductible in calculating taxable income	(74.66)	(33.11)
<b>Income tax expense for the year</b>	<b>924.08</b>	<b>212.02</b>
<b>Effective income tax rate</b>	<b>23.29%</b>	<b>21.77%</b>

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

### B. Deferred tax asset / (liability) (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

(₹ In Lakh)

Deferred tax balance in relation to	As at 31 March 2021	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2022
Property, plant and equipment	4.64	(33.92)	-	(29.28)
Provisions for employee benefits	34.30	-	(11.79)	22.51
Lease liabilities	8.34	(6.04)	-	2.30
Carry forward losses	12.49	(12.49)	-	-
<b>Total</b>	<b>59.77</b>	<b>(52.45)</b>	<b>(11.79)</b>	<b>(4.47)</b>

(₹ In Lakh)

Deferred tax balance in relation to	As at 31 March 20	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 21
Property, plant and equipment	-	4.64	-	4.64
Provisions for employee benefits	-	-	34.30	34.30
Lease liabilities	-	8.34	-	8.34
Carry forward losses	12.49	-	-	12.49
<b>Total</b>	<b>12.49</b>	<b>12.98</b>	<b>34.30</b>	<b>59.77</b>

### 13. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances	29.87	0.06
<b>Total</b>	<b>29.87</b>	<b>0.06</b>

### 14. INVENTORIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components (at cost)	1,437.67	224.91
Work-in-progress (at cost)	1,531.22	225.30
Finished goods (at cost or net realisable value whichever is lower)	1,110.83	1,543.31
<b>Total</b>	<b>4,079.72</b>	<b>1,993.52</b>

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 Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	13,121.00	6,072.54
Less: Allowance for doubtful debts	(97.92)	-
Discounted Trade Receivables	5,753.55	5,720.30
<b>Total Trade Receivables</b>	<b>18,776.63</b>	<b>11,792.84</b>
Less: Bills Payable against Discounted Trade Receivables	(5,753.55)	(5,720.30)
<b>Total</b>	<b>13,023.08</b>	<b>6,072.54</b>

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.

- 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.
- Trade receivables have been given as security against certain bank borrowings, details relating to which has been described in note no. 25.
- Trade receivables does not include any receivables from directors and officers of the company.
- Balance confirmation from customers was called for by the Company. The company has received few confirmations, balance are awaited.

#### Reconciliation of Credit Loss allowance :

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-	-
Allowance for expected credit loss	97.92	-
Excess provision written back	-	-
<b>Balance at the end of the year</b>	<b>97.92</b>	<b>-</b>

**Ageing for Trade Receivables outstanding is as follows :**

(₹ in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on 31st March 2022					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
<b>Considered Good – Unsecured</b>							
Undisputed	-	11,935.52	1,185.48	-	-	-	<b>13,121.00</b>
Disputed	-	-	-	-	-	-	-
<b>Trade Receivables – Credit Impaired</b>							
Undisputed	-	-	(97.92)	-	-	-	<b>(97.92)</b>
Disputed	-	-	-	-	-	-	-
<b>Total</b>	-	<b>11,935.52</b>	<b>1,087.56</b>	-	-	-	<b>13,023.08</b>

(₹ in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on 31st March 2021					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
<b>Considered Good – Unsecured</b>							
Undisputed	-	4,336.64	1,735.90	-	-	-	<b>6,072.54</b>
Disputed	-	-	-	-	-	-	-
<b>Trade Receivables – Credit Impaired</b>							
Undisputed	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-
<b>Total</b>	-	<b>4,336.64</b>	<b>1,735.90</b>	-	-	-	<b>6,072.54</b>

**16. CASH AND CASH EQUIVALENTS**

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks in current accounts	565.10	57.74
Cash on hand	21.70	179.02
<b>Total</b>	<b>586.80</b>	<b>236.76</b>

**17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks		
In term deposit accounts with maturity more than 3 months	119.22	69.46
Unpaid dividend	1.07	-
<b>Total</b>	<b>120.29</b>	<b>69.46</b>

## 18. LOANS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(Unsecured, considered good)</b>		
Loans & advances – Related parties (refer note 45)	144.93	20.46
Loans & advances – Employees	31.18	31.39
Loans & advances – Others	-	11.85
<b>Total</b>	<b>176.11</b>	<b>63.70</b>

## 19. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Export benefits and entitlements	82.44	30.60
Security deposits	474.73	658.03
Others	117.78	20.37
<b>Total</b>	<b>674.95</b>	<b>709.00</b>

## 20. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	9.93	6.35
Advances to suppliers*	3,145.47	2,967.95
GST Receivable	1,073.36	666.71
Others	585.57	25.88
<b>Total</b>	<b>4,814.33</b>	<b>3,666.89</b>

\* 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 2022		As at 31 March 2021	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
<b>Authorised:</b>				
<b>Equity Shares:</b>				
Equity shares of ₹10/- each	9,00,00,000	9,000.00	8,00,00,000	8,000.00
<b>Issued, Subscribed and Paid-up</b>				
<b>Equity Shares:</b>				
Equity shares of ₹10/- each	8,23,14,886	8,231.49	6,86,15,000	6,861.50
<b>Total</b>	<b>8,23,14,886</b>	<b>8,231.49</b>	<b>6,86,15,000</b>	<b>6,861.50</b>

#### A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
At the beginning of the year	6,86,15,000	6,861.50	3,50,000	35.00
Issued during the year	55,49,886	554.99	6,82,65,000	6826.50
Issued during the year (Conversion of Warrants into Equity Shares)	81,50,000	815.00	-	-
Outstanding at the end of the year	<b>8,23,14,886</b>	<b>8,231.49</b>	<b>6,86,15,000</b>	<b>6,861.50</b>

The Board of Directors of the company on 27 April 2021 had issued and allotted 55,49,886 Equity shares aggregating to ₹ 44,95,40,766/- issued for cash of Rs. 10/- (Rupees Ten Only) each at an issue price of Rs. 81/- (Rupees Eighty-One Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

The Board of Directors had approved the conversion of all the 92,00,000 Warrants into 92,00,000 Equity Shares which were issued and allotted to the Promoters & Non-Promoters on 22<sup>nd</sup> March 2022 and 29<sup>th</sup> April 2022 Respectively.

So, as on the date of signing of Directors Report the Paid-up Equity Share Capital was ₹ 83,36,48,860/- divided into 8,33,64,886 Equity Shares of ₹ 10/- Each.

#### 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 2022		As at 31 March 2021	
	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	5,44,40,010	66.14	4,78,40,000	69.72
Tano Investment Opportunities Fund	82,90,000	10.07	75,00,000	10.93

The Board of Directors had approved the conversion of all the 92,00,000 Warrants into 92,00,000 Equity Shares which were issued and allotted to the Promoters & Non-Promoters on 22<sup>nd</sup> March 2022 and 29<sup>th</sup> April 2022 Respectively.

So, as on the date of signing of Directors Report the Paid- Up Equity Share Capital was ₹ 83,36,48,860/- divided into 8,33,64,886 Equity Shares of ₹ 10/- Each.

#### D. The details of promoter's shareholding are as under

Name of the promoter	As at 31 March 2022	As at 31 March 2021
<b>Equity shares of ₹ 10/- each fully paid</b>		
Mr. Jaspal Singh Chandock	5,44,40,010	4,78,40,000
Mr. Trimaan Chandock	75,900	75,900
Mr. Jaikaran Chandock	10,150	10,150
<b>Total</b>	<b>5,45,26,060</b>	<b>4,79,26,050</b>

#### E. Information regarding issue of Equity Shares during last five years

- No bonus share has been issued.
- No share has been bought back.

#### F. No Shares held in Abeyance

## 22. OTHER EQUITY

(₹ in Lakh)

Particulars	Share warrants	Reserves and surplus		Other comprehensive income	Total equity
		Securities premium	Retained earnings / (losses)	Remeasurements of defined benefit obligations	
<b>As at 1 April 2020</b>	-	-	(0.24)	-	(0.24)
Net income / (loss) for the year	-	-	761.88	-	761.88
Share Warrants issued	230.00	-	-	-	230.00
Other comprehensive income	-	-	-	(101.97)	(101.97)
Previous years taxes	-	-	0.25	-	0.25
<b>As at 31 March 2021</b>	<b>230.00</b>	-	<b>761.64</b>	<b>(101.97)</b>	<b>889.66</b>
<b>As at 1 April 2021</b>	<b>230.00</b>	-	<b>761.64</b>	<b>(101.97)</b>	<b>889.66</b>
Net income / (loss) for the year	-	-	3,043.91	-	3,043.91
Securities premium credited on Share issue	-	3,940.42	-	-	3,940.42
Share warrants redeemed	(125.00)	-	-	-	(125.00)
Proposed dividend	-	-	(74.16)	-	(74.16)
Other comprehensive income	-	-	-	17.35	17.35
<b>As at 31 March 2022</b>	<b>105.00</b>	<b>3,940.42</b>	<b>3,731.38</b>	<b>(84.62)</b>	<b>7,692.18</b>

### Note :

- Share Warrant : During FY 2020-21, the Company issued and allotted 66,00,000 warrants convertible into 66,00,000 equity shares of ₹10/- each for cash to Promoter (Mr. Jaspalsingh Chandock) and allotted 26,00,000 warrants convertible into 26,00,000 equity shares of ₹10/- each for cash at par to the Non-Promoters (Public Category). Out of which during FY 2021-22, the Company issued and allotted 66,00,000 equity shares of ₹10/- each for cash to Promoter (Mr. Jaspalsingh Chandock) and allotted 15,50,000 equity shares of ₹10/- each for cash at par to the Non-Promoters (Public Category).
- Securities Premium, is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013
- Retained earnings/(losses), represents cumulative profit of the Company. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.
- Other comprehensive income (OCI) represents the re-measurement loss on defined benefit plan, net of taxes that will not be re-classified to the Statement of Profit & Loss.

## 23. BORROWINGS (AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Term loan (secured)		
- Term loans from banks	90.78	240.61
- Term loans from financial institutions	101.05	152.69
- Term loans from other parties	551.06	641.98
<b>Total</b>	<b>742.89</b>	<b>1,035.28</b>

### 23.1 Interest and repayment schedule for secured long term borrowings

(₹ in Lakh)

Type of loan	Loan outstanding as at 31 March 2022			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non Current	Current	Total				
Term loans from bank							
ICICI Bank Limited -Business Loan	04.11	15.00	19.11	40.00	17%	Equated monthly installment for 36 months starting from 6 November 2020	Post dated cheques
HDFC Bank Limited -Business Loan	20.88	13.00	33.88	50.00	17%	Equated monthly installment for 36 months starting from 5 November 2020	Post dated cheques
Union Bank of India - Vehicle Loan	65.79	15.00	80.79	115.60	8-10%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	secured against the hypothecation of underlying company owned vehicles.
Total (A)	90.78	43.00	133.78	205.60			
Term loans financial institutions							
LIC - Term Loan	101.05	-	101.05	200.00	9%	Equated monthly installments as per specific repayment schedulepredetermined	LIC Policy of Mr. Jaspalsingh Chandock
Total (B)	101.05	-	101.05	200.00			
Term loans from other parties							
Fedbank FinancialServices Limited -Business Loan	3.20	11.00	14.20	30.00	18%	Equated monthly installments as per specific repayment schedulepredetermined	Unsecured
Jain Sons Finlease Ltd. - Business Loan	0.39	8.00	8.39	40.00	20%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Shriram City FinanceLtd. - Business Loan	-	3.70	3.70	35.00	19%	Equated monthly installments asper specific repayment schedulepredetermined	Unsecured
Tata Capital Financial ServicesLtd. - Car Loan	02.65	14.00	16.65	50.69	15%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying company owned vehicles.
United Petro Finance Ltd. - Business Loan	-	11.61	11.61	35.00	19%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
PNB Housing Ltd. -Business Loan	544.82	42.69	587.51	650.00	11%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Total (C)	551.06	91.00	642.06	840.69			
Grand TOTAL (A+B+C)	742.89	134.00	876.89	1246.29			

## 24. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (refer note 43)	74.53	65.46
<b>Total</b>	<b>74.53</b>	<b>65.46</b>

## 25. BORROWINGS (CURRENT, AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Working capital loans from bank (secured)		
Rupee loan	3,774.66	699.79
Current maturity of long term debt	134.00	653.88
<b>Total</b>	<b>3,908.66</b>	<b>1,353.67</b>

Working capital loans from bank are secured by:

- Hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.
- Charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company, both present and future except such properties as may be specifically excluded.

## 26. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
- total outstanding dues of micro and small enterprises;	-	88.39
- total outstanding dues of creditors other than micro and small enterprises	4,508.28	4667.52
<b>Total</b>	<b>4,508.28</b>	<b>4,755.91</b>

- Balance confirmation from vendors was called for by the Company. The company has received few confirmations, balance are awaited.
- Disclosure with respect to related party transactions is given in note 45.
- 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 Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount outstanding as at end of year	-	88.39
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

- Ageing for Trade Payables outstanding is as follows:

(₹ in Lakh)

Particulars	Not Due	Outstanding from due date of payment as on 31st March 2022				
		Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
<b>Unsecured and considered good</b>						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	4,379.94	-	-	-	4,379.94
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	128.34	-	128.34
<b>Total</b>	-	<b>4,379.94</b>	-	<b>128.34</b>	-	<b>4,508.28</b>

(₹ in Lakhs)

Particulars	Not Due	Outstanding from due date of payment as on 31st March 2021				
		Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
<b>Unsecured and considered good</b>						
(i) MSME	-	88.39	-	-	-	88.39
(ii) Others	-	4,539.18	-	-	-	4,539.18
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	128.34	-	-	128.34
<b>Total</b>	-	4,627.57	128.34	-	-	4,755.91

## 27. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from related parties (refer note 45)	613.77	439.77
Other payables	1,647.07	1,407.43
<b>Total</b>	<b>2,260.84</b>	<b>1,847.20</b>

## 28. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance against orders	4.40	-
Unpaid dividend payable	0.74	-
Statutory dues payable	96.61	101.81
<b>Total</b>	<b>101.75</b>	<b>101.81</b>

## 29. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (refer note 43)	14.88	15.02
<b>Total</b>	<b>14.88</b>	<b>15.02</b>

## 30. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products</b>		
Domestic turnover	1,327.66	68.46
Export turnover	26,163.63	13,702.45
<b>Other operating revenues</b>		
Export benefits and entitlements income	950.84	211.65
Unclaimed liabilities written back	63.67	223.80
Miscellaneous income	-	2.14
<b>Total</b>	<b>28,505.80</b>	<b>14,208.50</b>

### A. Disaggregation revenue information

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>i. Revenue based on geography</b>		
Revenue from operations within the country	1,391.33	294.40
Revenue from operations outside the country	27,114.47	13,914.10
<b>Total</b>	<b>28,505.80</b>	<b>14,208.50</b>

<b>ii. Timing of revenue recognition</b>		
Goods transferred at a point in time	28,505.80	14,208.50
Services transferred over time	-	-
<b>Total</b>	<b>28,505.80</b>	<b>14,208.50</b>

## B. Segment reconciliation (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of steel forging (Crankshaft)	28,505.80	14,208.50
Sale other	-	-
<b>Total</b>	<b>28,505.80</b>	<b>14,208.50</b>

## C. Reconciling the amount of revenue recognised in the statement of profit and loss with contracted prices (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted prices	28,505.80	14,610.22
Less: Discount	-	(401.72)
<b>Total revenue from continuing operations</b>	<b>28,505.80</b>	<b>14,208.50</b>

## 31. OTHER INCOME (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on foreign currency transactions and translation	801.26	516.19
Interest received	51.36	8.60
<b>Total</b>	<b>852.62</b>	<b>524.79</b>

## 32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Work in Progress - Opening	225.30	234.29
Work in Progress - Closing	1,531.22	225.30
	<b>(1,305.92)</b>	<b>8.99</b>
Finished Goods (Mfg.) - Opening	1,543.31	650.99
Finished Goods (Mfg.) - Closing	1,110.83	1,543.31
	<b>432.48</b>	<b>(892.32)</b>
<b>Total Change in Inventories</b>	<b>(873.44)</b>	<b>(883.33)</b>

## 33. EMPLOYEE BENEFITS EXPENSE (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	359.41	248.21
Contribution to provident and other funds	18.63	17.46
Director remuneration	78.58	27.83
Gratuity expense (refer note 43)	32.13	7.47
Staff welfare expenses	34.88	48.03
<b>Total</b>	<b>523.63</b>	<b>349.00</b>

## 34. DEPRECIATION AND AMORTISATION EXPENSE (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	67.07	57.10
Amortisation of intangible assets	0.50	0.04
Depreciation of right to use assets	37.83	57.33
<b>Total</b>	<b>105.40</b>	<b>114.47</b>

### 35. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	431.30	617.67
Other borrowing costs	41.87	2.34
Other financial charges	49.74	40.72
<b>Total</b>	<b>522.91</b>	<b>660.73</b>

### 36. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Repairs and maintenance	38.31	78.41
Rent	123.35	98.20
Rates and taxes	82.94	72.32
Insurance	8.18	6.56
Legal and professional fees	358.54	384.17
Travelling & conveyance expenses	167.80	153.46
Audit fees	5.05	2.50
Security charges	28.26	14.64
Freight forwarding and distribution expenses	347.25	169.03
Commission on sales	736.61	221.31
Research and development cost	95.02	150.45
Advertisement and sales promotion expenses	123.94	175.20
Miscellaneous expenses	23.93	36.64
CSR expenses	6.60	-
Donation	3.50	-
Postage and telephone	8.46	-
Printing and stationery	11.00	-
Provision for doubtful debts	97.92	-
<b>Total</b>	<b>2,266.66</b>	<b>1,562.89</b>

Note:

#### A) Auditor's remuneration (excluding taxes):

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees including limited review	5.05	2.50

### 37. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

During the year ended 31 March 2021

(₹ in Lakh)

Particulars	Amount
Remeasurement gains (losses) on defined benefit plans	(136.27)
Income tax effect	34.30
<b>Total</b>	<b>(101.97)</b>

During the year ended 31 March 2022

(₹ in Lakh)

Particulars	Amount
Remeasurement gains (losses) on defined benefit plans	23.19
Income tax effect	(5.84)
<b>Total</b>	<b>17.35</b>

### 38. EARNINGS PER SHARE (EPS)

Particulars	2021-21	2020-20
Face Value of Equity Share	₹10	₹10
Profit attributable to equity shareholders (₹ in Lakh) (A)	3,026.56	659.91
Weighted average number of equity shares for basic EPS (B)	7,43,65,845	3,56,98,110
Effect of dilution :		
Total weighted average potential equity shares	9,61,765	45,36,608
Weighted average number of equity shares adjusted for the effect of dilution (C)	7,53,27,610	4,02,34,717
Basic EPS (Amount in ₹) (A/B)	4.09	1.85
Diluted EPS (Amount in ₹) (A/C)	4.04	1.64

### 39. RESEARCH AND DEVELOPMENT ACTIVITIES

Details of expenditure incurred in respect of research and development activities undertaken during the year is as follows

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue expenditure charged to profit and loss account	95.02	150.45

### 40. 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 Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Domestic	1,391.33	294.40
Export	27,114.47	13,914.10
<b>Total</b>	<b>28,505.80</b>	<b>14,208.50</b>

#### b) Non-current assets

All non-current assets of the Company are located in India.

### 41. 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.

- 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.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has a Working Capital limit of ₹ 8600 Lakhs from Union Bank of India, comprising of Fund-based limits of ₹76 Lakhs and non-fund-based limits of ₹ 1000 Lakhs. 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;
- 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 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;
- 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 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	Formula	31 March 2022			31 March 2021			% Variance	Reason for Variance
		Numerator (₹ in Lakh)	Denominator (₹ in Lakh)	Ratio	Numerator (₹ in Lakh)	Denominator (₹ in Lakh)	Ratio		
Current Ratio	Current assets/ Current liabilities	23,475.28	11,694.97	2.01	12,811.87	8,119.82	1.58	27%	Increase in Debtors as at March 31, 2022.
Debt-equity ratio	Total debt/ Shareholder's Equity	4,651.55	15,923.67	0.29	2,388.95	7,751.16	0.31	-5%	
Debt service coverage ratio	Earnings available for debt service/ Debt Service	3,626.95	927.41	3.91	1502.98	370.31	4.06	-4%	
Return on equity ratio	[Net Profits after taxes]/ Average Shareholder's Equity	3,061.26	11,837.42	0.26	659.90	4,657.74	0.14	83%	Net profit margin of current year is better than previous year due to Higher product margins
Inventory turnover Ratio	Sales/ Average Inventory	29,358.42	3,036.62	9.67	14,733.29	1,510.30	9.76	-1%	
Trade receivables turnover ratio	Net Credit Sales/ Average Accounts Receivable	29,358.42	9,547.81	3.07	14,733.29	5,056.32	2.91	6%	

Particulars	Formula	31 March 2022			31 March 2021			% Variance	Reason for Variance
		Numerator (₹ in Lakh)	Denominator (₹ in Lakh)	Ratio	Numerator (₹ in Lakh)	Denominator (₹ in Lakh)	Ratio		
Trade payables turnover ratio	Net Credit Purchases/ Average Trade Payables	24,037.53	4,632.10	5.19	12,038.75	3,469.62	3.47	50%	Ratio has improved due to better working capital management
Net capital turnover ratio	Net Sales/ Working Capital	29,358.42	11,780.31	2.49	14,733.29	4,692.05	3.14	-21%	
Net profit ratio %	Net Profit/ Net Sales	3,061.26	29,358.42	10%	659.90	14,733.29	4%	133%	Net profit margin of current year is better than previous year due to Higher product margins
Return on capital employed %	Earning before interest and taxes(EBIT)/ Capital Employed	4,514.09	2,5359.03	18%	1,498.46	1,2753.50	12%	52%	Ratio has improved due increased margins and better working capital management
*Return on investment	Earning before interest and taxes(EBIT)/ Average Total Assets	-	-	-	-	-	-	-	-

\* The Company is not holding any Treasury investments.

## 42. FINANCIAL INSTRUMENTS

### 42.1 Categories and hierarchy of financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale. The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All financial assets and liabilities are classified as level 3 and hence the carrying value represents the fair value of the financial assets and liabilities.

The carrying values of the financial instruments by categories were as follows:

( ₹ in Lakhs)

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets Measured at amortised cost</b>						
Loans	-	-	176.11	-	-	63.70
Trade receivables	-	-	13,023.08	-	-	11,792.84
Cash and cash equivalents	-	-	586.80	-	-	236.76
Bank balances other than cash and cash equivalents	-	-	120.29	-	-	69.46
Other financial assets	-	-	674.95	-	-	709.00
<b>Total financial assets at amortised cost</b>	-	-	<b>14,581.23</b>	-	-	<b>12,871.76</b>
<b>Financial liabilities Measured at amortised cost</b>						
Borrowings						
Long term Borrowings	-	-	876.89	-	-	1,035.28
Short term Borrowings	-	-	9,528.21	-	-	6,420.09
Trade payables	-	-	4,508.28	-	-	4,755.91
Other financial liabilities	-	-	2,260.84	-	-	1,847.20
<b>Total financial liabilities carried at amortised cost</b>	-	-	<b>17,174.22</b>	-	-	<b>14,058.48</b>

## 42.2 Financial risk management objectives and policies:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's principal financial liabilities comprise of loan from banks and financial institutions, finance lease obligations and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

### a) Financial risk management

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

### b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

The Company seeks to minimize the effects of these risks by using derivative and non derivative financial instruments. The use of derivatives and non derivative financial instruments is governed by the Company's policies approved by the Board

of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

### c) 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 ₹ 5,914.55 lakhs outstanding as at 31 March 2022 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 2022 (₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
<b>Financial assets</b>				
Trade receivables	5,399.23	305.55	-	5,704.78
Other financial assets	-	33.86	175.91	209.77
<b>Total financial assets</b>	<b>5,399.23</b>	<b>339.41</b>	<b>175.91</b>	<b>5,914.55</b>
<b>Financial liabilities</b>				
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*unhedged currency position

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% 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 5% 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 5% against the relevant currency. For a 5% 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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Receivable				
USD/INR	(269.96)	(299.09)	269.96	299.09
EUR/INR	(16.97)	-	16.97	-
AED/INR	(8.80)	-	8.80	-
Payable				
USD/INR	-	-	-	-

#### d) 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 2022	As at 31 March 2021
Fixed rate borrowings	2,723.12	1,577.74
Floating rate borrowings	7,681.98	6,531.51
<b>Total borrowings</b>	<b>10,405.10</b>	<b>8,109.25</b>

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 2022 would decrease / increase by ₹ 76.82 Lakhs (for the year ended 31 March 2021: decrease / increase by ₹ 65.32 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

#### e) 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.

##### 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 2022**

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
<b>Financial assets</b>				
Non-current investments	32.33	-	-	32.33
Trade receivables	13,023.08	-	-	13,023.08
Cash and cash equivalents	586.80	-	-	586.80
Bank balances other than cash and cash equivalents	120.29	-	-	120.29
Loans	176.11	-	-	176.11
Other financial assets	723.82	-	-	723.82
<b>Total financial assets</b>	<b>14,662.43</b>	<b>-</b>	<b>-</b>	<b>14,662.43</b>
<b>Financial liabilities</b>				
Long term borrowings	134.00	742.89	-	876.89
Short term borrowings	3,774.66	-	-	3,774.66
Trade payables	4,508.28	-	-	4,508.28
Other financial liabilities	2,348.56	-	-	2,348.56
<b>Total financial liabilities</b>	<b>10,765.50</b>	<b>742.89</b>	<b>-</b>	<b>11,508.39</b>

**Liquidity exposure as at 31 March 2021**

(₹ in Lakhs)

Particulars	<1year	1-5 years	>5 years	Total
<b>Financial assets</b>				
Trade receivables	6,072.54	-	-	6,072.54
Cash and cash equivalents	236.76	-	-	236.76
Bank balances other than cash and cash equivalents	69.46	-	-	69.46
Loans	63.70	-	-	63.70
Other financial assets	726.68	-	-	726.68
<b>Total financial assets</b>	<b>7,169.14</b>	<b>-</b>	<b>-</b>	<b>7,169.14</b>
<b>Financial liabilities</b>				
Long term borrowings	653.88	1,035.28	-	1,689.16
Short term borrowings	699.79	-	-	699.79
Trade payables	4,755.91	-	-	4,755.91
Other financial liabilities	2,057.86	-	-	2,057.86
<b>Total financial liabilities</b>	<b>8167.44</b>	<b>1035.28</b>	<b>-</b>	<b>9,202.72</b>

**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).

#### f) 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)

Particulars	As at 31 March 2022	As at 31 March 2021
Long term borrowings	742.89	1,035.28
Current maturities of long term debt and finance lease obligations	134.00	653.88
Short term borrowings	9,528.21	6,420.09
Less: Cash and cash equivalent	(586.80)	(236.76)
Less: Bank balances other than cash and cash equivalents	(120.29)	(69.46)
Less: Current investments	-	-
Net debt	9,698.01	7,803.03
Total equity	15,923.67	7,751.16
Gearing ratio	0.61	1.01

- Equity includes all capital and reserves of the Company that are managed as capital.
- 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.

### 43. 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 ₹ 14.93 Lakhs (31 March 2021: ₹ 14.01)

(included in note 30).

#### 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 2022 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	
	2022	2021
Defined Benefit obligation at beginning of year	80.48	-
Current Service Cost	26.66	7.47
Interest Cost	5.47	-
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-	-
- Due to Change in Financial Assumptions	(0.25)	-
- Due to Experience	(22.49)	136.27
Benefits paid	-	(63.27)
Defined Benefit obligation at year end	89.41	80.48

**ii. Expenses recognised in statement of profit and loss account** (₹ in Lakhs)

Description	Gratuity as on 31 March	
	2022	2021
Current Service Cost	26.66	7.47
Net Interest Cost	5.47	-
<b>Component of defined benefit cost recognised in statement of profit and loss</b>	<b>32.13</b>	<b>7.47</b>
<b>Remeasurement of net defined benefit liability</b>		
Actuarial (gain)/loss on defined benefit obligation	(23.19)	136.27
<b>Component of defined benefit cost recognised in other comprehensive income</b>	<b>(23.19)</b>	<b>136.27</b>

**iii. Actuarial assumptions** (₹ in Lakhs)

Description	Gratuity as on 31 March	
	2022	2021
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate (p.a.)	6.80%	6.80%
Attrition Rate	5% to 1%	5% to 1%
Retirement age	58	60
Rate of escalation in salary (p.a.)	6%	6%

**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	
	2022	2021
Present value of obligation	89.41	80.48
<b>Net liability / (asset) arising from defined benefit obligation</b>	<b>89.41</b>	<b>80.48</b>

**v. Sensitivity Analysis – Gratuity**

(₹ in Lakhs)

Particulars	2021-21	2020-20
Projected Benefit Obligation on Current Assumptions	89.41	80.48
Discount Rate - 1 percent increase	82.52	74.02
Discount Rate - 1 percent decrease	97.44	88.03
Salary Escalation Rate - 1 percent increase	97.43	88.02
Salary Escalation Rate - 1 percent decrease	82.41	73.92
Withdrawal Rate - 1 percent increase	89.61	80.65
Withdrawal Rate - 1 percent decrease	89.21	80.29

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
<b>As at 31 March 2022</b>				
Projected benefit payable	14.88	23.59	49.53	88.00
<b>As at 31 March 2021</b>				
Projected benefit payable	15.02	18.54	33.16	66.72

**44. CONTINGENT LIABILITIES AND LEGAL CASES**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Bank guarantee	-	41.93

**Capital Commitments**

Estimated amount of contract remaining to be executed on capital account, net of advances is Nil (Previous year Nil).

**45. 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 &amp; Systems Private Limited

Kelmarsh Technologies FZ-LLC in Dubai (Capital contribution for the same has not been made till the closure of the financial year i.e. 31 March 2022)

**Key Management Personnel (KMP)**

Mr. JaspalSingh Chandock – Chairman and Managing Director

Mr. Trimaan Chandock – Whole Time Director

Mr. Jaikaran Chandock – Whole Time Director

Mr. Raghavendra Raj Mehta – Independent Director

Mr. Radheshyam Soni - Independent Director

Ms. Shalu Bhandari - Independent Director

Mr. Aakash Joshi – 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

**b) Details of transactions with related parties**

(₹ in Lakhs)

Name of related party/Nature of Transaction	2021-22	2020-21
<b>Director's Remuneration</b>		
Mr. Jaspalsingh Chandock	48.00	17.65
Mr. Trimaan Chandock	12.00	4.41
Mr. Jaikaran Chandock	12.00	4.41
<b>Sitting fees</b>		
Mr. Deepak Mehta	0.10	0.40
Mr. Mitesh Dani	0.08	0.30
Ms. Sejal Soni	0.10	0.40
Mr. Yatin Mehta	0.10	0.25
Mr. Raghavendra Raj Mehta	1.80	-
Ms. Shalu Bhandari	2.20	-
Mr. Radheshyam Soni	2.20	-
<b>Salary</b>		
Mr. Mitesh Dani	4.80	-
Mr. Aakash Joshi	5.40	4.80
Rent paid – Hotel Imperial Palace (I)	36.00	36.00
Rent deposit – Hotel Imperial Palace (I)	34.00	6.00
Expenses on behalf of Hotel Imperial Palace	31.70	-
Reimbursement of Expenses paid to Hotel Imperial Palace (I)	4.24	-
Reimbursement of Expenses paid to Mr.Jaspal Singh Chandock	59.24	-
Expenses on behalf of Mr.Jaspal Singh Chandock	301.42	-
Expenses on behalf of Mr.Jaikaran Chandock	0.29	-
<b>Loans given</b>		
Loan given to Safa Otomotiv FZ – LLC	191.69	20.46
<b>Loan repayment received</b>		
Loan repaid by Safa Otomotiv FZ – LLC	67.23	-

Name of related party/Nature of Transaction	2021-22	2020-21
<b>Sales</b>		
Safa Otomotiv FZ – LLC	231.18	-
<b>Investment</b>		
Equity shares of Balu Advanced Technologies & Systems Pvt Ltd	1.00	-
Equity shares of Naya Energy Works Pvt. Ltd.	1.00	-
Equity shares of Safa Otomotiv FZ-LLC	30.33	-
<b>Advance received</b>		
Mr. Jaspalsingh Chandock	8,984.58	1,795.50
Mr. Trimaan Chandock	28.00	11.60
Mr. Jaikaran Chandock	7.82	6.60
Mr. Deepak Mehta	-	0.29
Hotel Imperial Palace (I)	2,312.30	590.89
New Global Forge Private Ltd.	235.03	509.13
<b>Advance re-paid</b>		
Mr. Jaspalsingh Chandock	8,575.55	1,590.76
Mr. Trimaan Chandock	28.00	11.60
Mr. Jaikaran Chandock	3.30	6.60
Mr. Deepak Mehta	-	0.29
Hotel Imperial Palace (I)	2,312.30	590.89
New Global Forge Private Ltd.	470.05	274.10
<b>Outstanding balance at the end of the year</b>		
Mr. Jaspalsingh Chandock (Cr.)	613.77	204.74
Hotel Imperial Palace (I) (Cr.) – rent payable	-	14.64
New Global Forge Private Ltd. (Cr.)	-	235.03
Safa Otomotiv FZ – LLC (Loan -Dr.)	144.93	20.46
Safa Otomotiv FZ – LLC (Trade Receivable-Dr.)	231.18	-
Mr. Mitesh Dani – sitting fees payables	4.78	0.07
Ms. Sejal Soni – sitting fees payables	-	0.09
Mr. Jaikaran Chandock (Cr.)	4.52	-
Mr. Akash Joshi (Cr.)	0.45	0.40

Kelmarsh Technologies FZ-LLC in Dubai (as a subsidiary Capital contribution for the same has not been made till the closure of the financial year i.e., 31 March 2022)

#### 46. BUSINESS SUCCESSION AGREEMENT

Mr. Jaspalsingh Chandock (proprietor of M/s. Balu India) had a strategic vision of expansion and to achieve the same, has considered business expansion, through reverse merger of M/s. Balu India with Amaze Entertech Limited ("the Company").

Amaze Entertech Limited ("the Company") vide Business Succession Agreement ("the Agreement") dated 3 August 2021 agreed to acquire the business of M/s Balu India. The name of Amaze Entertech Limited ("the Company") has changed to Balu Forge Industries Limited with effect from 30 September, 2020. In accordance with the terms and conditions set out in the agreement, in consideration for succession of the business, the company has issued on preferential allotment basis and Mr. Jaspalsingh Chandock (the proprietor of M/s. Balu India) has subscribed, 4,78,40,000 equity shares of the company without cash consideration, on 24 September 2020, resulted in the proprietor own the majority of shares and control the majority of votes in the combined entity BFIL. As a effect of reverse merger of M/s Balu India, a sole proprietary concern with Balu Forge Industries Ltd. (formerly known as M/s. Amaze Entertech Ltd.), the Company has recognised goodwill of ₹ 3,254.45 lakhs.

During FY 2021-22, the company has complied with all the formalities for transferring assets / liabilities of Balu India (proprietary firm) to Balu Forge Industries Limited as per the Business Succession Agreement.

The Company has approved its financial statements in its board meeting dated 24 May 2022.

Signatures to Notes 1 to 46 which form an integral part of financial statements.

**For M. B. Agrawal & Co.**

Chartered Accountants  
Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJODUB8140

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman & Managing Director  
(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

**For and on behalf of the Board of Directors**

Sd/-

**Trimaan Chandock**

Director  
(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# **Consolidated Financial Statements**

## **FY 2021-22**

# INDEPENDENT AUDITOR'S REPORT

To

**The Members of**

**Balu Forge Industries Limited**

(Formerly Known as M/s Amaze Entertech 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, 2022, 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, 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### **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.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding 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 Responsibility Report, Chairman's report Corporate Governance and Shareholder's Information, 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, 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 Board of Directors is 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 section 143(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.
- 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.

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, 2022 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31st March 2022, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 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 litigation 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, 2022.
  - iv. (a) 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.
- (b) 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.
- (c) 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.
- v. The dividend declared or paid during the year by the company is in compliance with Section 123 of the Act.
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.

Place: Mumbai  
Date: 24<sup>th</sup> May, 2022

**For M. B. Agrawal & Co.**  
Chartered Accountants  
(Firm's Registration No.100137W)

**Leena Agrawal**  
Partner  
(Membership No.061362)  
UDIN: 22061362AJOEDL1401

## ANNEXURE 'A'

(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, 2022, 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, 2022, 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 the internal control is needed.

**For M. B. Agrawal & Co.**

Chartered Accountants

(Firm's Registration No.100137W)

**Leena Agrawal**

Partner

(Membership No.061362)

UDIN: 22061362AJOE DL1401

Place: Mumbai

Date: 24<sup>th</sup> May, 2022

# CONSOLIDATED BALANCE SHEET

as at 31 March 2022

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	6	898.65	808.00
(b) Right-of-use assets	7	78.57	178.51
(c) Capital work-in-progress	8	666.98	-
(d) Goodwill	9	3,254.45	3,254.45
(e) Other Intangible assets	9	4.32	0.36
(f) Financial assets			
i. Other financial assets	10	48.87	17.68
(g) Deferred tax assets (net)	11	-	59.77
(h) Other non-current assets	12	29.87	0.06
<b>Total non-current assets</b>		<b>4,981.71</b>	<b>4,318.83</b>
<b>2 Current assets</b>			
(a) Inventories	13	4,232.73	1,993.52
(b) Financial assets			
i. Trade receivables	14	12,895.86	6,072.54
ii. Cash and cash equivalents	15	591.76	236.76
iii. Bank balances other than cash and cash equivalents	16	120.29	69.46
iv. Loans	17	31.18	63.70
v. Other financial assets	18	683.02	709.00
(c) Other current assets	19	4,906.83	3,666.89
(d) Current tax assets (net)		-	5.47
<b>Total current assets</b>		<b>23,461.67</b>	<b>12,817.34</b>
<b>Total Assets</b>		<b>28,443.38</b>	<b>17,136.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	20	8,231.49	6,861.50
(b) Other equity	21	7,631.25	889.66
<b>Total equity</b>		<b>15,862.74</b>	<b>7,751.16</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	22	742.89	1,035.28
ii. Lease liability	7	48.79	158.98
(b) Provisions	23	74.53	65.46
(c) Deferred tax liabilities (Net)	12	4.47	-
<b>Total non-current liabilities</b>		<b>870.68</b>	<b>1,259.72</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	24	3,908.66	1,353.67
ii. Lease liability	7	38.93	51.68
iii. Trade payables due to Micro and small enterprises	25	-	88.39
Others than micro and small enterprises		4,522.27	4,667.52
iv. Other financial liabilities	26	2,261.84	1,847.20
(b) Other current liabilities	27	101.75	101.81
(c) Provisions	28	14.88	15.02
(d) Current tax liability (net)		861.63	-
<b>Total current liabilities</b>		<b>11,709.96</b>	<b>8,125.29</b>
<b>Total Equity and Liabilities</b>		<b>28,443.38</b>	<b>17,136.17</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For M. B. Agrawal &amp; Co.

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJOEEDL1401

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman &amp; Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>I. Income</b>			
i. Revenue from operations	29	28,607.92	14,208.50
ii. Other income	30	852.62	524.79
<b>Total Income</b>		<b>29,460.54</b>	<b>14,733.29</b>
<b>II. Expenses</b>			
i. Cost of materials consumed		23,053.54	11,955.63
ii. Changes in inventories of finished goods, stock in trade and work-in-progress	31	(1,026.45)	(883.33)
iii. Employee benefits expense	32	523.63	349.00
iv. Depreciation and amortisation expense	33	105.40	114.47
v. Finance costs	34	523.37	660.73
vi. Other expenses	35	2,352.04	1,562.89
<b>Total Expenses</b>		<b>25,531.53</b>	<b>13,759.39</b>
<b>III. Profit before tax (I-II)</b>		<b>3,929.01</b>	<b>973.90</b>
IV. Exceptional items		(20.50)	-
<b>V. Profit before tax (III-IV)</b>		<b>3,908.51</b>	<b>973.90</b>
<b>VI. Tax expense</b>			
i. Prior period tax		(9.33)	-
ii. Current tax	12	875.00	225.00
iii. Deferred tax		58.41	(12.98)
<b>VII. Profit after tax (V-VI)</b>		<b>2,984.43</b>	<b>761.88</b>
VIII. Other comprehensive income			
A. Items that will not be reclassified to profit & loss in subsequent periods			
i. Re-measurement gains (losses) on defined benefit plans	36	23.19	(136.27)
ii. Income tax effect on such items		(5.84)	34.30
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>17.35</b>	<b>(101.97)</b>
<b>IX. Total comprehensive income for the year, net of tax (VII-VIII)</b>		<b>3,001.78</b>	<b>659.91</b>
X. Earnings per equity share of ₹ 10 each:			
i. Basic (in ₹)	37	4.05	1.85
ii. Diluted (in ₹)		3.61	1.64

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

## As per our report of even date

### For M. B. Agrawal & Co.

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJ0EDL1401

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman & Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

### For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

## A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	No. of Shares	Amount
<b>As at 1 April 2020</b>	<b>3,50,000</b>	<b>35.00</b>
Changes in equity share capital during the year	6,82,65,000	6,826.50
<b>As at 31 March 2021</b>	<b>6,86,15,000</b>	<b>6,861.50</b>
Changes in equity share capital during the year	1,36,99,886	1,369.99
<b>As at 31 March 2022</b>	<b>8,23,14,886</b>	<b>8,231.49</b>

## B. OTHER EQUITY

(₹ in Lakh)

Particulars	Share Warrants	Reserves and surplus		Other comprehensive income	Total equity
		Securities premium	Retained earnings / (losses)	Remeasurements of defined benefit obligations	
<b>As at 1 April 2020</b>	-	-	(0.24)	-	(0.24)
Net income / (loss) for the year	-	-	761.88	-	761.88
Share warrants issued	230.00	-	-	-	230.00
Other comprehensive income	-	-	-	(101.97)	(101.97)
<b>As at 31 March 2021</b>	<b>230.00</b>	<b>-</b>	<b>761.64</b>	<b>(101.97)</b>	<b>889.66</b>
<b>As at 1 April 2021</b>	230.00	-	761.64	(101.97)	889.66
Net income / (loss) for the year	-	-	2,984.43	-	2,984.43
Securities premium credited on Share issue	-	3,940.42	-	-	3,940.42
Share warrants redeemed	(125.00)	-	-	-	(125.00)
Proposed dividend	-	-	(74.16)	-	(74.16)
Other comprehensive income	-	-	-	17.35	17.35
Appropriations	-	-	(1.45)	-	(1.45)
<b>As at 31 March 2022</b>	<b>105.00</b>	<b>3,940.42</b>	<b>3,670.45</b>	<b>(84.62)</b>	<b>7,631.25</b>

The above Statement of Change in Equity should be read in conjunction with the accompanying notes.

### As per our report of even date

**For M. B. Agrawal & Co.**

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJ0EDL1401

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman & Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

### For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		3,908.51		973.90
Adjustment for:				
Depreciation & amortisation expense	105.40		114.47	
Interest income	(45.22)		(7.10)	
Finance costs (net)	523.37		660.73	
Exchange difference on translating financial statements of a foreign operation	(1.45)			
Bad debts, loans and advances written off/written back (net)	97.92	680.02	-	768.10
<b>Operating profit before working capital changes</b>		<b>4,588.53</b>		<b>1,742.00</b>
Adjustment for:				
(Increase)/decrease in inventories	(2,239.21)		(966.45)	
(Increase)/decrease in trade receivables	(6,921.24)		(2,032.45)	
(Increase)/decrease in other receivables	(1,228.03)		(1,208.52)	
Increase/(decrease) in trade and other payables	732.81		4,329.69	
Increase/(decrease) in provisions	8.93	(9,646.74)	80.48	202.75
<b>Cash flow from operations</b>		<b>(5,058.21)</b>		<b>1,944.75</b>
Income taxes paid (net of refund received)		(715.44)		(212.02)
<b>Net cash generated from operating activities</b>		<b>(5,773.65)</b>		<b>1,732.73</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant & equipment, intangible assets including under development and capital advances	(767.05)		(323.14)	
<b>Net cash used in investing activities</b>		<b>(767.05)</b>		<b>(323.14)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital	1,244.99		2,042.50	
Proceeds from issue of share warrants	-		230.00	
Proceeds from share premium	3,940.42		-	
Proceeds/ (repayment) of long term borrowings (net)	(292.39)		(1,556.16)	
Proceeds/ (repayment) of short term borrowings (net)	2,554.99		(1,248.17)	
Interest income	45.22		7.10	
Dividend paid	(74.16)		-	
Finance costs (net)	(523.37)		(660.73)	
<b>Net cash used in financing activities</b>		<b>6,895.70</b>		<b>(1,185.46)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>355.00</b>		<b>224.13</b>
Cash and cash equivalents at the beginning of the year		236.76		12.63
<b>Cash and cash equivalents at the end of the year</b>		<b>591.76</b>		<b>236.76</b>
<b>Components of cash and cash equivalents at the end of the year</b>				
Cash on hand		21.70		57.74
Balance in current account and deposits with banks		570.06		179.02
<b>Cash and cash equivalents at the end of the year</b>		<b>591.76</b>		<b>236.76</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## Reconciliation of liabilities arising from financing activities:

(Amount in Rupees Lakh, unless otherwise stated)

Particulars	As at 31 March 2021	Cash flows	Foreign exchange movement	Interest accrued/ adjustments	As at 31 March 2022
Long term borrowings	1,689.16	(927.41)	-	115.14	876.89
Short term borrowings (including bill discounting)	6,420.09	2,807.14	-	300.98	9,528.21
Lease liabilities	210.66	(41.24)	-	(81.70)	87.72
<b>Total liabilities from financing activities</b>	<b>8,319.91</b>	<b>1,838.49</b>		<b>334.42</b>	<b>10,492.82</b>

Particulars	As at 31 March 2020	Cash flows	Foreign exchange movement	Interest accrued/ adjustments	As at 31 March 2021
Long term borrowings	1,830.19	(305.32)	-	164.29	1,689.16
Short term borrowings ( including bill discounting)	7,482.91	(1,451.12)	-	388.30	6,420.09
Lease liabilities	-	(43.08)	-	253.74	210.66
<b>Total liabilities from financing activities</b>	<b>9,313.10</b>	<b>(1,799.52)</b>	-	<b>806.33</b>	<b>8,319.91</b>

The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## As per our report of even date

### For M. B. Agrawal & Co.

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJ0EDL1401

Mumbai, 24<sup>th</sup> May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman &amp; Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

### For and on behalf of the Board of Directors

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 1. CORPORATE INFORMATION ABOUT THE GROUP

The Consolidated Financial Statements comprise financial statements of Balu Forge Industries Limited (Formerly known as Amaze Entertech Limited) (the company) having Corporate Identity Number L29100MH1989PLC255933 and its subsidiaries together referred to as “the Group”) and includes share of profit of the associates for the year ended March 31, 2022.

These aforesaid Consolidated Financial Statements for the year ended March 31, 2022 are approved by the Company’s Board of Directors and authorised for issue in the meeting held on May 24, 2022.

## 2. STATEMENT OF COMPLIANCE

These consolidated 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 consolidated financial statement.

Accordingly, the Company has prepared these consolidated Financial Statements which comprise the Balance Sheet as at 31 March 2022, 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 ‘Consolidated Financial Statements’).

The consolidated financial statements of the Company for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Board of Directors on 24 May 2022.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### Basis of preparation and compliance with Ind AS

The consolidated financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention 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).

### Principles 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.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company drawn up to the same reporting date i.e. March 31, 2022.

### Current and non-current classification

All assets and liabilities have been classified as current or non current as per the Company’s normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current only.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

#### Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

#### 4. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to IndAS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

#### Amendments applicable from April 01, 2022

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

#### Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional

disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the company has changed the classification/ presentation of (i) current maturities of long-term borrowings (ii) security deposits.

- The current maturities of long-term borrowings (including interest accrued) have now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
- security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

#### 5. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the consolidated financial statements.

##### a. 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 derecognised 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 consolidated 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.

Useful lives of intangible assets 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 2021, based on detailed technical analysis, considering the nature of the asset, the operating conditions of the asset, 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 Vehicle	8
5	Electrical Installation	10
6	Factory building	30
7	Furniture & Fixtures	10
8	Computers - Server & Networks	6
9	Software	5
10	Motor Vehicle	10

### 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.

### b. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these consolidated financial statements at historical 'cost' in accordance with the option available in Ind AS 27, 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. 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

**c. 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.

**d. Revenue Recognition****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 when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. 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 recognised when the shareholder's right to receive payment has been established.

**e. Leases**

The Company has adopted Ind AS 116 "Leases" and accordingly accounted for leases as below:

**As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases 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.

Payments associated with short-term leases and 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 a lease term of 12 months or less.

**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 amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

**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. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced

for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### f. Foreign Currency Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

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.

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.

#### g. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 offset 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.

#### h. 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.

#### i. 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 Consolidated 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.

#### j. Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

##### Post-employment benefits Defined contribution plan

Employee Benefit under defined contribution plans comprises of Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan.

##### Defined benefit plan

Defined benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are

accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be re-classified to Statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits 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.

#### k. Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a liability is recognised when the Company becomes a Party to the contractual provision of the instrument.

##### i. Financial Assets

Financial assets include cash and cash equivalent, trade and other receivables, investments in securities and other eligible current and non-current assets.

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed

collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for the derecognition under Ind-AS 109.

#### Investment in Equity shares

Investments in equity securities (Other than Investment in Subsidiaries & Joint Venture) are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss.

#### Investment in Subsidiaries & Joint Venture

Investments in subsidiaries and Joint Venture are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

The company assesses impairment based on expected credit loss (ECL) model to all its financial assets measured at amortised cost.

### ii. Financial liabilities and equity instruments Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Financial liabilities

Financial liabilities include long term and short-term loan and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities recognized initially at fair value and, in the case of loans and borrowing and other payable, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories.

### 1. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities

upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

### 2. Financial liabilities measured at amortised cost

After initial recognition, such financial liabilities are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of financial liability. The EIR amortization is included in finance expense in the profit and loss.

#### De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### iii. Offsetting financial instrument

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### I. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### m. 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.

### n. Cash flow statement

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit/(Loss) for the effects of:

- i. Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

- ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses and
- iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

#### o. 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 including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

## 6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Motor Vehicles	Office Equipments	Furniture & Fixture	Computers	Total Assets
<b>Gross Carrying Amount</b>									
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Additions	0.83	91.10	582.99	28.44	145.64	7.79	6.84	1.47	865.10
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>0.83</b>	<b>91.10</b>	<b>582.99</b>	<b>28.44</b>	<b>145.64</b>	<b>7.79</b>	<b>6.84</b>	<b>1.47</b>	<b>865.10</b>
						-			
Additions	-	-	154.08	-	-	3.45	-	0.19	157.72
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>0.83</b>	<b>91.10</b>	<b>737.07</b>	<b>28.44</b>	<b>145.64</b>	<b>11.24</b>	<b>6.84</b>	<b>1.66</b>	<b>1,022.82</b>
<b>Accumulated depreciation</b>									
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	2.88	32.19	2.70	16.84	1.40	0.63	0.46	57.10
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>2.88</b>	<b>32.19</b>	<b>2.70</b>	<b>16.84</b>	<b>1.40</b>	<b>0.63</b>	<b>0.46</b>	<b>57.10</b>
Depreciation charge for the year	-	2.90	41.20	2.70	17.29	1.83	0.65	0.50	67.07
Disposals	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>5.78</b>	<b>73.39</b>	<b>5.40</b>	<b>34.13</b>	<b>3.23</b>	<b>1.28</b>	<b>0.96</b>	<b>124.17</b>
<b>Net book value</b>									
<b>As at 31 March 2022</b>	<b>0.83</b>	<b>85.32</b>	<b>663.68</b>	<b>23.04</b>	<b>111.51</b>	<b>8.01</b>	<b>5.56</b>	<b>0.70</b>	<b>898.65</b>
<b>As at 31 March 2021</b>	<b>0.83</b>	<b>88.22</b>	<b>550.80</b>	<b>25.74</b>	<b>128.80</b>	<b>6.39</b>	<b>6.21</b>	<b>1.01</b>	<b>808.00</b>

Property, plant and equipment given as security, refer to note 22.1 and 24.

## 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

(₹ in Lakh)

Particulars	Building
<b>Right-of-use assets as on 1 April 2020</b>	-
Additions	235.84
Deductions	-
Depreciation expense	57.33
<b>At 31 March 2021</b>	<b>178.51</b>
Additions	-
Deductions	62.11
Depreciation expense	37.83
<b>At 31 March 2022</b>	<b>78.57</b>

Particulars	Building
<b>Lease liabilities as on 1 April 2020</b>	-
Additions	234.08
Interest accrued	19.66
Lease payments	43.08
<b>At 31 March 2021</b>	<b>210.66</b>
Additions	-
Deduction	88.65
Interest accrued	6.95
Lease payments	41.24
<b>At 31 March 2022</b>	<b>87.72</b>
Short term lease liability	48.79
Long term lease liability	38.93

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 Lakh)

Particulars	As at 31st March 2022				
	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	666.98	-	-	-	666.98
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>666.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>666.98</b>

Particulars	As at 31st March 2021				
	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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9. INTANGIBLE ASSETS AND GOODWILL

(₹ In Lakh)

Particulars	Goodwill (Refer Note)	Computer Software	Amount
<b>Cost</b>			
<b>As at 1 April 2020</b>	-	-	-
Additions	# 3,254.45	0.40	3254.85
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>3,254.45</b>	<b>0.40</b>	<b>3254.85</b>
Additions	-	4.46	4.46
Disposals	-	-	-
<b>As at 31 March 2022</b>	<b>3,254.45</b>	<b>4.86</b>	<b>3,259.31</b>
<b>Accumulated amortisation</b>			
<b>As at 1 April 2020</b>	-	-	-
Amortisation	-	0.04	0.04
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>0.04</b>	<b>0.04</b>
Amortisation	-	0.50	0.50
Disposals	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>0.54</b>	<b>0.54</b>
Net book value :			
<b>As at 31 March 2022</b>	<b>3,254.45</b>	<b>4.32</b>	<b>3,258.77</b>
<b>As at 31 March 2021</b>	<b>3,254.45</b>	<b>0.36</b>	<b>3,254.81</b>

# 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 2022 as the recoverable value of the cash generating unit exceeded the carrying value.

## 10. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	48.87	17.68
<b>Total</b>	<b>48.87</b>	<b>17.68</b>

## 11. 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.

### A. Income tax expense

(₹ In Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Tax	875.00	225.00
Deferred tax	58.41	(12.98)
(Excess) / short provision of tax of earlier years	(9.33)	-
<b>Total tax expense</b>	<b>924.08</b>	<b>212.02</b>

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 Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Profit before tax</b>	<b>3,908.51</b>	<b>973.90</b>
Enacted rate of tax	25.17%	25.17%
Expected income tax expense at statutory rate	983.77	245.13
Tax effect of amounts which are deductible / not deductible in calculating taxable income	(59.69)	(33.11)
<b>Income tax expense for the year</b>	<b>924.08</b>	<b>212.02</b>
<b>Effective income tax rate</b>	<b>23.64%</b>	<b>21.77%</b>

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.

### B. Deferred tax asset / (liability) (net)

Significant components of deferred tax assets/(liabilities) recognised in the consolidated financial statements are as follows:

(₹ In Lakh)

Deferred tax balance in relation to	As at 31 March 2021	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2022
Property, plant and equipment	4.64	(33.92)	-	(29.28)
Provisions for employee benefits	34.30	-	(11.79)	22.51
Lease liabilities	8.34	(6.04)	-	2.30
Carry forward losses	12.49	(12.49)	-	-
<b>Total</b>	<b>59.77</b>	<b>(52.45)</b>	<b>(11.79)</b>	<b>(4.47)</b>

(₹ In Lakh)

Deferred tax balance in relation to	As at 31 March 20	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 21
Property, plant and equipment	-	4.64	-	4.64
Provisions for employee benefits	-	-	34.30	34.30
Lease liabilities	-	8.34	-	8.34
Carry forward losses	12.49	-	-	12.49
<b>Total</b>	<b>12.49</b>	<b>12.98</b>	<b>34.30</b>	<b>59.77</b>

## 12. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances	29.87	0.06
<b>Total</b>	<b>29.87</b>	<b>0.06</b>

## 13. INVENTORIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components (at cost)	1,437.67	224.91
Work-in-progress (at cost)	1,531.22	225.30
Finished goods (at cost or net realisable value whichever is lower)	1,263.84	1,543.31
<b>Total</b>	<b>4,232.73</b>	<b>1,993.52</b>

Inventories have been hypothecated as primary security against certain bank borrowings, details relating to which has been described in note no. 24.

## 14. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good – Unsecured	12,993.78	6,072.54
Less: Allowance for doubtful debts	(97.92)	-
Discounted Trade Receivables	5,753.55	5,720.30
<b>Total Trade Receivables</b>	<b>18,649.41</b>	<b>11,792.84</b>
Less: Bills Payable against Discounted Trade Receivables	(5,753.55)	(5,720.30)
<b>Total</b>	<b>12,895.86</b>	<b>6,072.54</b>

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.

- 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.
- Trade receivables have been given as security against certain bank borrowings, details relating to which has been described in note no. 24.
- Trade receivables does not include any receivables from directors and officers of the company.
- Balance confirmation from customers was called for by the Company. The company has received few confirmations, balance are awaited.

### Reconciliation of Credit Loss allowance :

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-	-
Allowance for expected credit loss	97.92	-
Excess provision written back	-	-
<b>Balance at the end of the year</b>	<b>97.92</b>	<b>-</b>

**Ageing for Trade Receivables outstanding is as follows :**

(₹ in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on 31st March 2022					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Less than 6 Months
<b>Considered Good – Unsecured</b>							
Undisputed	-	11,808.30	1,185.48	-	-	-	<b>12,993.78</b>
Disputed	-	-	-	-	-	-	-
<b>Trade Receivables – Credit Impaired</b>							
Undisputed	-	-	(97.92)	-	-	-	(97.92)
Disputed	-	-	-	-	-	-	-
<b>Total</b>	-	<b>11,808.30</b>	<b>1,087.56</b>	-	-	-	<b>12,895.86</b>

(₹ in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on 31st March 2021					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
<b>Considered Good – Unsecured</b>							
Undisputed	-	4,336.64	1,735.90	-	-	-	<b>6,072.54</b>
Disputed	-	-	-	-	-	-	-
<b>Trade Receivables – Credit Impaired</b>							
Undisputed	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-
<b>Total</b>	-	<b>4,336.64</b>	<b>1,735.90</b>	-	-	-	<b>6,072.54</b>

**15. CASH AND CASH EQUIVALENTS**

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks in current accounts	570.06	57.74
Cash on hand	21.70	179.02
<b>Total</b>	<b>591.76</b>	<b>236.76</b>

**16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks		
In term deposit accounts with maturity more than 3 months	119.22	69.46
Unpaid dividend	1.07	-
<b>Total</b>	<b>120.29</b>	<b>69.46</b>

## 17. LOANS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(Unsecured, considered good)</b>		
Loans & advances – Related parties (refer note 45)	-	20.46
Loans & advances – Employees	31.18	31.39
Loans & advances – Others	-	11.85
<b>Total</b>	<b>31.18</b>	<b>63.70</b>

## 18. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Export benefits and entitlements	82.44	30.60
Security deposits	482.80	658.03
Others	117.78	20.37
<b>Total</b>	<b>683.02</b>	<b>709.00</b>

## 19. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	102.43	6.35
Advances to suppliers*	3,145.47	2,967.95
GST Receivable	1,073.36	666.71
Others	585.57	25.88
<b>Total</b>	<b>4,906.83</b>	<b>3,666.89</b>

\* Balance confirmation from vendors was called for by the Company. The company has received few confirmations, balance are awaited.

## 20. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
<b>Authorised:</b>				
<b>Equity Shares:</b>				
Equity shares of ₹10/- each	9,00,00,000	9,000.00	8,00,00,000	8,000.00
<b>Issued, Subscribed and Paid-up</b>				
<b>Equity Shares:</b>				
Equity shares of ₹10/- each	8,23,14,886	8,231.49	6,86,15,000	6,861.50
<b>Total</b>	<b>8,23,14,886</b>	<b>8,231.49</b>	<b>6,86,15,000</b>	<b>6,861.50</b>

#### A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
At the beginning of the year	6,86,15,000	6,861.50	3,50,000	35.00
Issued during the year	55,49,886	554.99	6,82,65,000	6826.50
Issued during the year (conversion of warrants into equity shares)	81,50,000	815.00	-	-
Outstanding at the end of the year	<b>8,23,14,886</b>	<b>8,231.49</b>	<b>6,86,15,000</b>	<b>6,861.50</b>

The Board of Directors of the company on 27 April 2021 had issued and allotted 55,49,886 Equity shares aggregating to ₹ 44,95,40,766/- issued for cash of Rs. 10/- (Rupees Ten Only) each at an issue price of Rs. 81/- (Rupees Eighty-One Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

The Board of Directors had approved the conversion of all the 92,00,000 Warrants into 92,00,000 Equity Shares which were issued and allotted to the Promoters & Non-Promoters on 22<sup>nd</sup> March 2022 and 29<sup>th</sup> April 2022 Respectively.

So, as on the date of signing of Directors Report the Paid-up Equity Share Capital was ₹ 83,36,48,860/- divided into 8,33,64,886 Equity Shares of ₹ 10/- Each.

#### 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 2022		As at 31 March 2021	
	Number of shares held having face value of ₹ 10 each	% of holding inclass	Number of shares held having face value of ₹ 10 each	% of holding inclass
Jaspalsingh Chandock	5,44,40,010	66.14	4,78,40,000	69.72
Tano Investment Opportunities Fund	82,90,000	10.07	75,00,000	10.93

The Board of Directors had approved the conversion of all the 92,00,000 Warrants into 92,00,000 Equity Shares which were issued and allotted to the Promoters & Non-Promoters on 22<sup>nd</sup> March 2022 and 29<sup>th</sup> April 2022 Respectively.

So, as on the date of signing of Directors Report the Paid- Up Equity Share Capital was ₹ 83,36,48,860/- divided into 8,33,64,886 Equity Shares of ₹ 10/- Each.

#### D. The details of promoters shareholding are as under

Name of the promoter	As at 31 March 2022	As at 31 March 2021
<b>Equity shares of ₹ 10/- each fully paid</b>		
Mr. Jaspal Singh Chandock	5,44,40,010	4,78,40,000
Mr. Trimaan Chandock	75,900	75,900
Mr. Jaikaran Chandock	10,150	10,150
	<b>5,45,26,060</b>	<b>4,79,26,050</b>

#### E. Information regarding issue of Equity Shares during last five years

- No bonus share has been issued.
- No share has been bought back.

#### F. No Shares held in Abeyance

## 21. OTHER EQUITY

(₹ in Lakh)

Particulars	Share warrants	Reserves and surplus		Other comprehensive income	Total equity
		Securities premium	Retained earnings / (losses)	Remeasurements of defined benefit obligations	
<b>As at 1 April 2020</b>	-	-	(0.24)	-	(0.24)
Net income / (loss) for the year	-	-	761.88	-	761.88
Share Warrants issued	230.00	-	-	-	230.00
Other comprehensive income	-	-	-	(101.97)	(101.97)
<b>As at 31 March 2021</b>	<b>230.00</b>	<b>-</b>	<b>761.64</b>	<b>(101.97)</b>	<b>889.66</b>
<b>As at 1 April 2021</b>	230.00	-	761.64	(101.97)	889.66
Net income / (loss) for the year	-	-	2,984.43	-	2,984.43
Securities premium credited on Share issue	-	3,940.42	-	-	3,940.42
Share warrants redeemed	(125.00)	-	-	-	(125.00)
Proposed dividend	-	-	(74.16)	-	(74.16)
Other comprehensive income	-	-	-	17.35	17.35
Appropriations	-	-	(1.45)	-	(1.45)
<b>As at 31 March 2022</b>	<b>105.00</b>	<b>3,940.42</b>	<b>3,670.45</b>	<b>(84.62)</b>	<b>7,631.25</b>

### Note :

- Share Warrant : During FY 2020-21, the Company issued and allotted 66,00,000 warrants convertible into 66,00,000 equity shares of ₹10/- each for cash to Promoter (Mr. Jaspalsingh Chandock) and allotted 26,00,000 warrants convertible into 26,00,000 equity shares of ₹10/- each for cash at par to the Non-Promoters (Public Category). Out of which during FY 2021-22, the Company issued and allotted 66,00,000 equity shares of ₹10/- each for cash to Promoter (Mr. Jaspalsingh Chandock) and allotted 15,50,000 equity shares of ₹10/- each for cash at par to the Non-Promoters (Public Category).
- Securities Premium, is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013
- Retained earnings/(losses), represents cumulative profit of the Company. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.
- Other comprehensive income (OCI), represents the re-measurement loss on defined benefit plan, net of taxes that will not be re-classified to the Statement of Profit & Loss

## 22. BORROWINGS (AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Term loan (secured)		
- Term loans from banks	90.78	240.61
- Term loans from financial institutions	101.05	152.69
- Term loans from other parties	551.06	641.98
<b>Total</b>	<b>742.89</b>	<b>1,035.28</b>

## 22.1 Interest and repayment schedule for secured long term borrowings

(₹ in Lakh)

Type of loan	Loan outstanding as at 31 March 2022			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non Current	Current	Total				
Term loans from bank							
ICICI Bank Limited -Business Loan	04.11	15.00	19.11	40.00	17%	Equated monthly installment for 36 months starting from 6 November 2020	Post dated cheques
HDFC Bank Limited -Business Loan	20.88	13.00	33.88	50.00	17%	Equated monthly installment for 36 months starting from 5 November 2020	Post dated cheques
Union Bank of India - Vehicle Loan	65.79	15.00	80.79	115.60	8-10%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	secured against the hypothecation of under-lying company owned vehicles.
Total (A)	90.78	43.00	133.78	205.60			
Term loans financial institutions							
LIC - Term Loan	101.05	-	101.05	200.00	9%	Equated monthly installments as per specific repayment schedulepredetermined	LIC Policy of Mr. Jaspalsingh Chandock
Total (B)	101.05	-	101.05	200.00			
Term loans from other parties							
Fedbank FinancialServices Limited -Business Loan	3.20	11.00	14.20	30.00	18%	Equated monthly installments as per specific repayment schedulepredetermined	Unsecured
Jain Sons Finlease Ltd. - Business Loan	0.39	8.00	8.39	40.00	20%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Shriram City FinanceLtd. - Business Loan	-	3.70	3.70	35.00	19%	Equated monthly installments asper specific repayment schedulepredetermined	Unsecured
Tata Capital Financial ServicesLtd. - Car Loan	02.65	14.00	16.65	50.69	15%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of under-lying company owned vehicles.
United Petro Finance Ltd. - Business Loan	-	11.61	11.61	35.00	19%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
PNB Housing Ltd. -Business Loan	544.82	42.69	587.51	650.00	11%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Total (C)	551.06	91.00	642.06	840.69			
Grand TOTAL (A+B+C)	742.89	134.00	876.89	1246.29			

### 23. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (refer note 42)	74.53	65.46
<b>Total</b>	<b>74.53</b>	<b>65.46</b>

### 24. BORROWINGS (CURRENT, AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Working capital loans from bank (secured)		
Rupee loan	3,774.66	699.79
Current maturity of long term debt	134.00	653.88
<b>Total</b>	<b>3,908.66</b>	<b>1,353.67</b>

Working capital loans from bank are secured by:

- Hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.
- Charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company, both present and future except such properties as may be specifically excluded.

### 25. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
- total outstanding dues of micro and small enterprises;	-	88.39
- total outstanding dues of creditors other than micro and small enterprises	4,522.27	4667.52
<b>Total</b>	<b>4,522.27</b>	<b>4,755.91</b>

- Balance confirmation from vendors was called for by the Company. The company has received few confirmations, balance are awaited.
- Disclosure with respect to related party transactions is given in note 44.
- 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 Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount outstanding as at end of year	-	88.39
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	-
Interest paid to the supplier	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

iv. Ageing for Trade Payables outstanding is as follows :

(₹ in Lakhs)

Particulars	Not Due	Outstanding from due date of payment as on 31st March 2022				
		Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
<b>Unsecured and considered good</b>						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	4,393.93	-	-	-	4,393.93
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	128.34	-	128.34
<b>Total</b>	-	4,393.93	0.00	128.34	0.00	4,522.27

(₹ in Lakhs)

Particulars	Not Due	Outstanding from due date of payment as on 31st March 2021				
		Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
<b>Unsecured and considered good</b>						
(i) MSME	-	88.39	-	-	-	88.39
(ii) Others	-	4,539.18	-	-	-	4,539.18
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	128.34	-	-	128.34
<b>Total</b>	-	4,627.57	128.34	-	-	4,755.91

## 26. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from related parties (refer note 44)	613.77	439.77
Other payables	1,648.07	1,407.43
<b>Total</b>	<b>2,261.84</b>	<b>1,847.20</b>

## 27. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance against orders	4.40	-
Unpaid dividend payable	0.74	-
Statutory dues payable	96.61	101.81
<b>Total</b>	<b>101.75</b>	<b>101.81</b>

## 28. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for gratuity (refer note 42)	14.88	15.02
<b>Total</b>	<b>14.88</b>	<b>15.02</b>

## 29. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products</b>		
Domestic turnover	1,327.66	68.46
Export turnover	26,265.75	13,702.45
<b>Other operating revenues</b>		
Export benefits and entitlements income	950.84	211.65
Unclaimed liabilities written back	63.67	223.80
Miscellaneous income	-	2.14
<b>Total</b>	<b>28,607.92</b>	<b>14,208.50</b>

**A. Disaggregation revenue information** (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>i. Revenue based on geography</b>		
Revenue from operations within the country	1,391.33	294.40
Revenue from operations outside the country	27,216.59	13,914.10
<b>Total</b>	<b>28,607.92</b>	<b>14,208.50</b>
<b>ii. Timing of revenue recognition</b>		
Goods transferred at a point in time	28,607.92	14,208.50
Services transferred over time	-	-
<b>Total</b>	<b>28,607.92</b>	<b>14,208.50</b>

**B. Segment reconciliation** (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of steel forging (Cranshaft)	28,607.92	14,208.50
Sale other	-	-
<b>Total</b>	<b>28,607.92</b>	<b>14,208.50</b>

**C. Reconciling the amount of revenue recognised in the statement of profit and loss with contracted prices**

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted prices	28,607.92	14,610.22
Less: Discount	-	(401.72)
<b>Total revenue from continuing operations</b>	<b>28,607.92</b>	<b>14,208.50</b>

**30. OTHER INCOME** (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on foreign currency transactions and translation	801.26	516.19
Interest received	51.36	8.60
<b>Total</b>	<b>852.62</b>	<b>524.79</b>

**31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS** (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Work in Progress - Opening	225.30	234.29
Work in Progress - Closing	1,531.22	225.30
	<b>(1,305.92)</b>	<b>8.99</b>
Finished Goods (Mfg.) - Opening	1,543.31	650.99
Finished Goods (Mfg.) - Closing	1,263.84	1,543.31
	<b>279.47</b>	<b>(892.32)</b>
<b>Total Change in Inventories</b>	<b>(1,026.45)</b>	<b>(883.33)</b>

**32. EMPLOYEE BENEFITS EXPENSE** (₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	359.41	248.21
Contribution to provident and other funds	18.63	17.46
Director remuneration	78.58	27.83
Gratuity expense (refer note 42)	32.13	7.47
Staff welfare expenses	34.88	48.03
<b>Total</b>	<b>523.63</b>	<b>349.00</b>

### 33. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	67.07	57.10
Amortisation of intangible assets	0.50	0.04
Depreciation of right to use assets	37.83	57.33
<b>Total</b>	<b>105.40</b>	<b>114.47</b>

### 34. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	431.30	617.67
Other borrowing costs	41.87	2.34
Other financial charges	50.02	40.72
<b>Total</b>	<b>523.37</b>	<b>660.73</b>

### 35. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Repairs and maintenance	38.32	78.41
Rent	194.40	98.20
Rates and taxes	84.90	72.32
Insurance	8.18	6.56
Legal and professional fees	358.54	384.17
Travelling & conveyance expenses	174.84	153.46
Audit fees	6.05	2.50
Security charges	28.26	14.64
Freight forwarding and distribution expenses	351.57	169.03
Commission on sales	736.61	221.31
Research and development cost	95.02	150.45
Advertisement and sales promotion expenses	123.94	175.20
Miscellaneous expenses	23.93	36.64
CSR expenses	6.60	-
Donation	3.50	-
Postage and Telephone	8.46	-
Printing and Stationery	11.00	-
Provision for Doubtful Debts	97.92	-
<b>Total</b>	<b>2,352.04</b>	<b>1,562.89</b>

Note:

#### A) Auditor's remuneration (excluding taxes):

(₹ in Lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees including limited review	6.05	2.50

### 36. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

During the year ended 31 March 2021

(₹ in Lakh)

Particulars	Amount
Remeasurement gains (losses) on defined benefit plans	(136.27)
Income tax effect	34.30
<b>Total</b>	<b>(101.97)</b>

During the year ended 31 March 2022

(₹ in Lakh)

Particulars	Amount
Remeasurement gains (losses) on defined benefit plans	23.19
Income tax effect	(5.84)
<b>Total</b>	<b>17.35</b>

### 37. EARNINGS PER SHARE (EPS)

Particulars	2021-22	2020-21
Face Value of Equity Share	₹10	₹10
Profit attributable to equity shareholders (₹ in Lakh) (A)	2,984.43	659.91
Weighted average number of equity shares for basic EPS (B)	7,43,65,845	3,56,98,110
Effect of dilution :		
Total weighted average potential equity shares	9,61,765	45,36,608
Weighted average number of equity shares adjusted for the effect of dilution (C)	7,53,27,610	4,02,34,717
Basic EPS (Amount in ₹) (A/B)	4.05	1.85
Diluted EPS (Amount in ₹) (A/C)	3.61	1.64

### 38. RESEARCH AND DEVELOPMENT ACTIVITIES

Details of expenditure incurred in respect of research and development activities undertaken during the year is as follows

(₹ in Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue expenditure charged to profit and loss account	95.02	150.45

### 39. 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 Lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Domestic	1,391.33	294.40
Export	27,216.59	13,914.10
<b>Total</b>	<b>28,607.92</b>	<b>14,208.50</b>

#### b) Non-current assets

All non-current assets of the Company are located in India.

#### 40. 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 Consolidated 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 consolidated financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

- 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.

The Company has a Working Capital limit of ₹ 8600 Lakhs from Union Bank of India, comprising of Fund-based limits of ₹76 Lakhs and non-fund-based limits of ₹ 1000 Lakhs. 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.

- c) 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 consolidated financial statements are approved.

- d) The Company does not have any transactions with struck-off companies.

- e) 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.

- f) 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.

- g) 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.

- h) 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.

- i) 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).

- j) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**k) Ratios**

Particulars	Formula	31 March 2022			31 March 2022			% Variance	Reason for Variance
		Numerator (₹ in Lakh)	Denominator (₹ in Lakh)	Ratio	Numerator (₹ in Lakh)	Denominator (₹ in Lakh)	Ratio		
Current Ratio	Current assets/ Current liabilities	23,461.67	11,709.96	2.00	12,811.87	8,119.82	1.58	27%	Increase in Debtors as at March 31, 2022.
Debt-equity ratio	Total debt/ Shareholder's Equity	4,651.55	15,862.74	0.29	2,388.95	7,751.16	0.31	-5%	
Debt service coverage Ratio	Earnings available for debt service/ Debt Service	3,567.47	927.41	3.85	1,502.98	370.31	4.06	-5%	
Return on equity ratio	[Net Profits after taxes]/ Average Shareholder's Equity	3,001.78	11,806.95	0.25	659.90	4,657.74	0.14	79%	Net profit margin of current year is better than previous year due to higher product margins.
Inventory turnover Ratio	Sales/ Average Inventory	29,460.54	3,113.13	9.46	1,4733.29	1,510.30	9.76	-3%	
Trade receivables turnover ratio	Net Credit Sales/ Average Accounts Receivable	29,460.54	9,484.20	3.11	14,733.29	5,056.32	2.91	7%	
Trade payables turnover ratio	Net Credit Purchases/ Average Trade Payables	24,266.30	4,639.09	5.23	12,038.75	3,469.62	3.47	51%	Ratio has improved due to better working capital management
Net capital turnover Ratio	Net Sales/ Working Capital	29,460.54	11,751.71	2.51	14,733.29	4,692.05	3.14	-20%	
Net profit ratio %	Net Profit/ Net Sales	3,001.78	29,460.54	10%	659.90	14,733.29	4%	127%	Net profit margin of current year is better than previous year due to Higher product margins
Return on capital employed %	Earning before interest and taxes(EBIT)/ Capital Employed	4,455.07	25,298.10	18%	1498.46	12,753.50	12%	50%	Ratio has improved due increased margins and better working capital management
*Return on investment	Earning before interest and taxes(EBIT)/ Average invested funds in treasury investments	-	-	-	-	-	-	-	-

\* The Company is not holding any Treasury investments.

## 41. FINANCIAL INSTRUMENTS

### 41.1 Categories and hierarchy of financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All financial assets and liabilities are classified as level 3 and hence the carrying value represents the fair value of the financial assets and liabilities.

The carrying values of the financial instruments by categories were as follows:

( ₹ in Lakhs)

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets Measured at amortised cost</b>						
Trade receivables	-	-	12,895.86	-	-	6,072.54
Cash and cash equivalents	-	-	591.76	-	-	236.76
Bank balances other than cash and cash equivalents	-	-	120.29	-	-	69.46
Other financial assets	-	-	763.07	-	-	790.38
<b>Total financial assets at amortised cost</b>	-	-	<b>14,370.98</b>	-	-	<b>7,169.14</b>
<b>Financial liabilities Measured at amortised cost</b>						
Borrowings						
Long term Borrowings	-	-	742.89	-	-	1,035.28
Short term Borrowings	-	-	3,908.66	-	-	1,353.67
Trade payables	-	-	4,522.27	-	-	4,755.91
Other financial liabilities	-	-	2,349.56	-	-	2,057.86
<b>Total financial liabilities carried at amortised cost</b>	-	-	<b>11,523.38</b>	-	-	<b>9,202.72</b>

### 41.2 Financial risk management objectives and policies:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's principal financial liabilities comprise of loan from banks and financial institutions, finance lease obligations and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The

Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

#### a) Financial risk management

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

#### b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

The Company seeks to minimize the effects of these risks by using derivative and non derivative financial instruments. The use of derivatives and non derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

#### c) 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 ₹ 5,611.42 lakhs outstanding as at 31 March 2022 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:

#### Currency exposure as at 31 March 2022

(₹ in Lakhs)

Particulars	USD*	EURO*	Total
<b>Financial assets</b>			
Trade receivables	5,272.01	305.55	5,577.56
Other financial assets	-	33.86	33.86
<b>Total financial assets</b>	<b>5,272.01</b>	<b>339.41</b>	<b>5,611.42</b>
<b>Financial liabilities</b>			
Trade payables	-	-	-
Other financial liabilities	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*unhedged currency position

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% 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 5% 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 5% against the relevant currency. For a 5% 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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Receivable				
USD/INR	(263.60)	(299.09)	263.60	299.09
EUR/INR	(16.97)	-	16.97	-
Payable				
USD/INR	-	-	-	-

#### d) 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 2022	As at 31 March 2021
Fixed rate borrowings	2,723.12	1,577.74
Floating rate borrowings	7,681.98	6,531.51
<b>Total borrowings</b>	<b>10,405.10</b>	<b>8,109.25</b>

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 2022 would decrease / increase by ₹ 76.82 Lakhs (for the year ended 31 March 2021: decrease / increase by ₹ 65.32 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

#### e) 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.

### 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 2022

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
<b>Financial assets</b>				
Trade receivables	12,895.86	-	-	12,895.86
Cash and cash equivalents	591.76	-	-	591.76
Bank balances other than cash and cash equivalents	120.29	-	-	120.29
Loans	31.18	-	-	31.18
Other financial assets	731.89	-	-	731.89
<b>Total financial assets</b>	<b>14,370.98</b>	-	-	<b>14,370.98</b>
<b>Financial liabilities</b>				
Long term borrowings	134.00	742.89	-	876.89
Short term borrowings	3,774.66	-	-	3,774.66
Trade payables	4,522.27	-	-	4,522.27
Other financial liabilities	2,300.77	48.79	-	2,349.56
<b>Total financial liabilities</b>	<b>10,731.70</b>	<b>791.68</b>	-	<b>11,523.38</b>

### Liquidity exposure as at 31 March 2021

(₹ in Lakhs)

Particulars	<1year	1-5 years	>5 years	Total
<b>Financial assets</b>				
Trade receivables	6,072.54	-	-	6,072.54
Cash and cash equivalents	236.76	-	-	236.76
Bank balances other than cash and cash equivalents	69.46	-	-	69.46
Loans	63.70	-	-	63.70
Other financial assets	726.68	-	-	726.68
<b>Total financial assets</b>	<b>7,169.14</b>	-	-	<b>7,169.14</b>

Particulars	<1year	1-5 years	>5 years	Total
<b>Financial liabilities</b>				
Long term borrowings	653.88	1,035.28	-	1689.16
Short term borrowings	699.79	-	-	699.79
Trade payables	4,755.91	-	-	4,755.91
Other financial liabilities	1,898.88	158.98	-	2,057.86
<b>Total financial liabilities</b>	<b>8,008.46</b>	<b>1,194.26</b>	<b>-</b>	<b>9,202.72</b>

#### 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 22 and 24).

#### f) 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)

Particulars	As at 31 March 2022	As at 31 March 2021
Long term borrowings	742.89	1,035.28
Current maturities of long term debt and finance lease obligations		
Short term borrowings	3,908.66	1,353.67
Less: Cash and cash equivalent	-591.76	-236.76
Less: Bank balances other than cash and cash equivalents	-120.29	-69.46
<b>Net debt</b>	<b>3,939.50</b>	<b>2,082.73</b>
Total equity	15,862.74	7,751.16
Gearing ratio	0.25	0.27

- Equity includes all capital and reserves of the Company that are managed as capital.
- Debt is defined as long and short term borrowings, as described in notes 22 and 24.

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.

## 42. 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 ₹ 14.93 Lakhs (31 March 2021: ₹ 14.01)

(included in note 29).

### 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 2022 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	
	2022	2021
Defined Benefit obligation at beginning of year	80.48	-
Current Service Cost	26.66	7.47
Interest Cost	5.47	-
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-	-
- Due to Change in Financial Assumptions	(0.25)	-
- Due to Experience	(22.94)	136.27
Benefits paid	-	(63.27)
Defined Benefit obligation at year end	89.41	80.48

### ii. Expenses recognised in statement of profit and loss account (₹ in Lakhs)

Description	Gratuity as on 31 March	
	2022	2021
Current Service Cost	26.66	7.47
Net Interest Cost	5.47	-
<b>Component of defined benefit cost recognised in statement of profit and loss</b>	<b>32.13</b>	<b>7.47</b>
<b>Remeasurement of net defined benefit liability</b>		
Actuarial (gain)/loss on defined benefit obligation	(23.19)	136.27
<b>Component of defined benefit cost recognised in other comprehensive income</b>	<b>(23.19)</b>	<b>136.27</b>

**iii. Actuarial assumptions**

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2022	2021
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate (p.a.)	6.80%	6.80%
Attrition Rate	5% to 1%	5% to 1%
Retirement age	58	60
Rate of escalation in salary (p.a.)	6%	6%

**iv. The amount included in the consolidated 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	
	2022	2021
Present value of obligation	89.41	80.48
<b>Net liability / (asset) arising from defined benefit obligation</b>	<b>89.41</b>	<b>80.48</b>

**v. Sensitivity Analysis – Gratuity**

(₹ in Lakhs)

Particulars	2021-21	2020-20
Projected Benefit Obligation on Current Assumptions	89.41	80.48
Discount Rate - 1 percent increase	82.52	74.02
Discount Rate - 1 percent decrease	97.44	88.03
Salary Escalation Rate - 1 percent increase	97.43	88.02
Salary Escalation Rate - 1 percent decrease	82.41	73.92
Withdrawal Rate - 1 percent increase	89.61	80.65
Withdrawal Rate - 1 percent decrease	89.21	80.29

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
<b>As at 31 March 2022</b>				
Projected benefit payable	14.88	23.59	49.53	88.00
<b>As at 31 March 2021</b>				
Projected benefit payable	15.02	18.54	33.16	66.72

**43. CONTINGENT LIABILITIES AND LEGAL CASES**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Financial bank guarantee	-	41.93

**Capital Commitments**

Estimated amount of contract remaining to be executed on capital account, net of advances is Nil (Previous year Nil).

**44. 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. Raghavendra Raj Mehta – Independent Director  
Mr. Radheshyam Soni - Independent Director  
Ms. Shalu Bhandari - Independent Director  
Mr. Mitesh Dani – Chief Financial Officer  
Mr. Aakash Joshi – 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

**b) Details of transactions with related parties**

(₹ in Lakhs)

Name of related party/Nature of Transaction	2021-22	2020-21
<b>Director's Remuneration</b>		
Mr. Jaspalsingh Chandock	48.00	17.65
Mr. Trimaan Chandock	12.00	4.41
Mr. Jaikaran Chandock	12.00	4.41
<b>Sitting fees</b>		
Mr. Deepak Mehta	0.10	0.40
Mr. Mitesh Dani	0.08	0.30
Ms. Sejal Soni	0.10	0.40
Mr. Yatin Mehta	0.10	0.25
Mr. Raghavendra Raj Mehta	1.80	-
Ms. Shalu Bhandari	2.20	-
Mr. Radheshyam Soni	2.20	-
<b>Salary</b>		
Mr. Mitesh Dani	4.80	-
Mr. Akash Joshi	5.40	4.80

Name of related party/Nature of Transaction	2021-22	2020-21
Rent paid – Hotel Imperial Palace (I)	36.00	36.00
Rent deposit – Hotel Imperial Palace (I)	34.00	6.00
Expenses on behalf of Hotel Imperial Palace	31.70	-
Reimbursement of Expenses paid to Hotel Imperial Palace (I)	4.24	-
Reimbursement of Expenses paid to Mr.Jaspal Singh Chandock	59.24	-
Expenses on behalf of Mr.Jaspal Singh Chandock	301.42	-
Expenses on behalf of Mr.Jaikaran Chandock	0.29	-
<b>Advance received</b>		
Mr. Jaspalsingh Chandock	8,984.58	1,795.50
Mr. Trimaan Chandock	28.00	11.60
Mr. Jaikaran Chandock	7.82	6.60
Mr. Deepak Mehta	-	0.29
Hotel Imperial Palace (I)	2,312.30	590.89
New Global Forge Private Ltd.	235.03	509.13
<b>Advance re-paid</b>		
Mr. Jaspalsingh Chandock	8,575.55	1,590.76
Mr. Trimaan Chandock	28.00	11.60
Mr. Jaikaran Chandock	3.30	6.60
Mr. Deepak Mehta	-	0.29
Hotel Imperial Palace (I)	2,312.30	590.89
New Global Forge Private Ltd.	470.05	274.10
<b>Outstanding balance at the end of the year</b>		
Mr. Jaspalsingh Chandock (Cr.)	613.77	204.74
Hotel Imperial Palace (I) (Cr.) – rent payable	-	14.64
New Global Forge Private Ltd. (Cr.)	-	235.03
Mr. Mitesh Dani – sitting fees payables	4.78	0.07
Ms. Sejal Soni – sitting fees payables	-	0.09
Mr. Yatin Mehta – sitting fees payables	-	-
Mr.Jaikaran Chandock (Cr.)	4.52	-
Ms. Leena Kumawat (Cr.)	-	-
Mr. Akash Joshi (Cr.)	0.45	0.40

#### 45. BUSINESS SUCCESSION AGREEMENT

Mr. Jaspalsingh Chandock (proprietor of M/s. Balu India) had a strategic vision of expansion and to achieve the same, has considered business expansion, through reverse merger of M/s. Balu India with Amaze Entertech Limited (“the Company”).

Amaze Entertech Limited (“the Company”) vide Business Succession Agreement (“the Agreement”) dated 3 August 2021 agreed to acquire the business of M/s Balu India.. The name of Amaze Entertech Limited (“the Company”) has changed to Balu Forge Industries Limited with effect from 30 September, 2020. In accordance with the terms and conditions set out in

the agreement, in consideration for succession of the business, the company has issued on preferential allotment basis and Mr. Jaspalsingh Chandock (the proprietor of M/s. Balu India) has subscribed, 4,78,40,000 equity shares of the company without cash consideration, on 24 September 2020, resulted in the proprietor own the majority of shares and control the majority of votes in the combined entity BFIL. As a effect of reverse merger of M/s Balu India, a sole proprietary concern with Balu Forge Industries Ltd. (formerly known as M/s. Amaze Entertech Ltd.), the Company has recognised goodwill of ₹ 3,254.45 lakhs.

During FY 2021-22, the company has complied with all the formalities for transferring assets / liabilities of Balu India (proprietary firm) to Balu Forge Industries Limited as per the Business Succession Agreement.

The Company has approved its consolidated financial statements in its board meeting dated 24 May 2022.

Signatures to Notes 1 to 45 which form an integral part of consolidated financial statements.

**For M. B. Agrawal & Co.**

Chartered Accountants

Firm's Reg. No.: 100137W

Sd/-

**Leena Agrawal**

Partner

Membership No.: 061362

UDIN: 22061362AJOE DL1401

Mumbai, 24 May 2022

Sd/-

**Jaspalsingh Chandock**

Chairman & Managing Director

(DIN 00813218)

Sd/-

**Mitesh Dani**

Chief Financial Officer

**For and on behalf of the Board of Directors**

Sd/-

**Trimaan Chandock**

Director

(DIN 02853445)

Sd/-

**Aakash Joshi**

Company Secretary

# NOTICE

NOTICE IS HEREBY GIVEN THAT THE 33<sup>RD</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF BALU FORGE INDUSTRIES LIMITED (FORMERLY KNOWN AS AMAZE ENTERTECH LIMITED) WILL BE HELD ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2022, AT 11:00 A.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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 together with the Reports of the Auditors thereon;

## 2. Retirement by Rotation:

Appointment of Mr. Jaikaran Chandock (DIN: 06965738) as a director liable to retire by rotation:

To consider and, if thought fit, to pass 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 Mr. Jaikaran Chandock (DIN: 06965738) who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.”

## Registered Office:

506, 5<sup>th</sup> Floor, Imperial Palace,  
45 Telly Park Road, Andheri (East),  
Mumbai - 400069

Date: 05<sup>th</sup> September 2022

Place: Mumbai

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

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

# NOTICE

- 1) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') General Circular Nos. 20/2020 and 2/2022 dated 5<sup>th</sup> May, 2020 and 5<sup>th</sup> May, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars'), the Company is convening the Annual General Meeting ('AGM') through VC/OAVM without the physical presence of the Members. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Hence, in compliance with the Circulars, the 33<sup>rd</sup> AGM of the Company is being held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The deemed venue for the 33<sup>rd</sup> AGM shall be at the Registered Office of the Company.
- 2) Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
- 3) Participation of Members through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013
- 4) Statement giving details of the Directors seeking reappointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").
- 5) Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address: [compliance@baluindustries.com](mailto:compliance@baluindustries.com) at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.
- 6) All the relevant documents referred to in this AGM Notice, 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.
- 7) Members holding shares of the Company as on Friday, 23<sup>rd</sup> September, 2022, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- 8) As per the provisions of Section 72 of the Act, facility for making nomination is available to Individuals holding shares in the Company. Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members may download the Nomination Form from the Company's website at <https://www.baluindustries.com/>. Members holding shares in demat mode should file their nomination with their Depository Participant (DPs) for availing this facility.
- 9) In compliance with the aforesaid MCA Circulars and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by Securities and Exchange Board of India ('SEBI'), Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.baluindustries.com](http://www.baluindustries.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
- 10) Members may please note that SEBI vide its circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November 2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.baluindustries.com](http://www.baluindustries.com). 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 dematerialisation and also

considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

- 11) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent, Skyline Financial Services Pvt. Ltd. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.
- 12) 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>.
- 13) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent, Skyline Financial Services Pvt. Ltd.
- 14) Instructions for remote e-Voting and e-voting during the AGM:
  - a) 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), 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 availed services of National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

- b) The remote e-voting period commences on Tuesday, 27<sup>th</sup> September, 2022 (9:00 a.m. IST) and ends on Thursday, 29<sup>th</sup> September, 2022 (5:00 p.m. IST). During this period members of the Company, holding shares as on the cut-off date of Friday, 23<sup>rd</sup> September, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- c) The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- d) The details of the process and manner for remote e-voting are explained herein below:

#### **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.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> 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 <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

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.
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**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**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.**

- 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.*

**How to Log-in to NSDL e-Voting website?**

- 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.

- 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 use 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](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 [csjayminmodi@gmail.com](mailto:csjayminmodi@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). 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](http://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](http://www.evoting.nsdl.com) or call on toll free no.:

1800 1020 990 and 1800 22 44 30 or send a request to (Mr. Amit Vishal, Asst. Vice President – NSDL) at [evoting@nsdl.co](mailto:evoting@nsdl.co).

**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](mailto: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](mailto: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](mailto: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.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. 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.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user

manual for Members available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free No. 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President - NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. 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 link" 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.
2. 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.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. 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](mailto:compliance@baluindustries.com) from Sunday, 25<sup>th</sup> September, 2022 (9:00 a.m. IST) to Tuesday, 27<sup>th</sup> September, 2022 (5:00 p.m. IST). 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.

#### OTHER INSTRUCTIONS

1. The Company has appointed Mr. Jaymin Modi, Proprietor Jaymin Modi & CO (Membership No.: A44248), Practicing Company Secretaries, as scrutinizer (the 'Scrutinizer') for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
2. The members who have cast their vote by remote e-voting may attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.
3. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date, Friday, 23<sup>rd</sup> September, 2022 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
4. Any person holding shares in physical form and no individual members, who acquires shares of the Company and becomes a Member of the Company after sending of Notice and holding shares as of the cut-off date i.e. Friday, 23<sup>rd</sup> September, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he / she can use his/ her existing User ID and password for casting the vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case of Individual Members holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual members holding securities in demat mode."
5. The Scrutiniser shall after the conclusion of voting at the AGM, will count the votes cast at the meeting through e-voting and thereafter unblock the votes cast through remote e-voting and shall not later than two working days of the conclusion of the AGM, make a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
6. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company <https://www.baluindustries.com/> and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

#### Registered Office:

506, 5<sup>th</sup> Floor, Imperial Palace,  
45 Telly Park Road, Andheri (East),  
Mumbai, Maharashtra, 400069

Date: 05<sup>th</sup> September 2022

Place: Mumbai

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

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

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

Name	Mr. Jaikaran Chandock
Age	30
Date of appointment on the Board	19 <sup>th</sup> November, 2020
Qualification	BSc in Management & MSc in Strategic Marketing
Nature of expertise & experience	7 Years, Manufacturing & Hospitality
Relationship with other Director/ Key Managerial Personne	Mr. Jaikaran Chandock is the son of Mr. Jaspalsingh Chandock and sibling of Mr. Trimaan Chandock.
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation.
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.
Number of meetings of the Board attended during the financial year (2021-22)	12
Directorships held in other companies	1. Balu Hospitality Limited 2. Naya Energy Power Technology Private Limited 3. Naya Energy Works Private Limited 4. Balu Advanced Technologies & Systems Private Limited
Memberships/ Chairmanships of committees of other companies	Nil
No. of shares held in the Company	10150



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5	0004	00-00-04
6	0005	00-00-05
7	0006	00-00-06
8	0007	00-00-07
9	0008	00-00-08
10	0009	00-00-09



# ANNUAL REPORT

2021-2022

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**BALU FORGE  
INDUSTRIES LIMITED**