BALU FORGE

BALU FORGE INDUSTRIES LIMITED

EXCEEDING EXPECTATIONS

LEADING WITH STRENGTH AND STRATEGY.

ANNUAL REPORT 2023-24

NAVIGATING THIS REPORT

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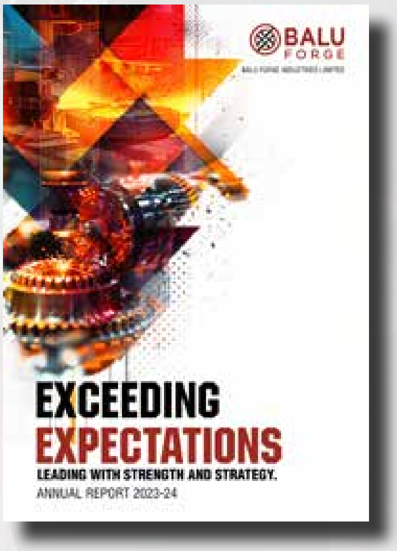


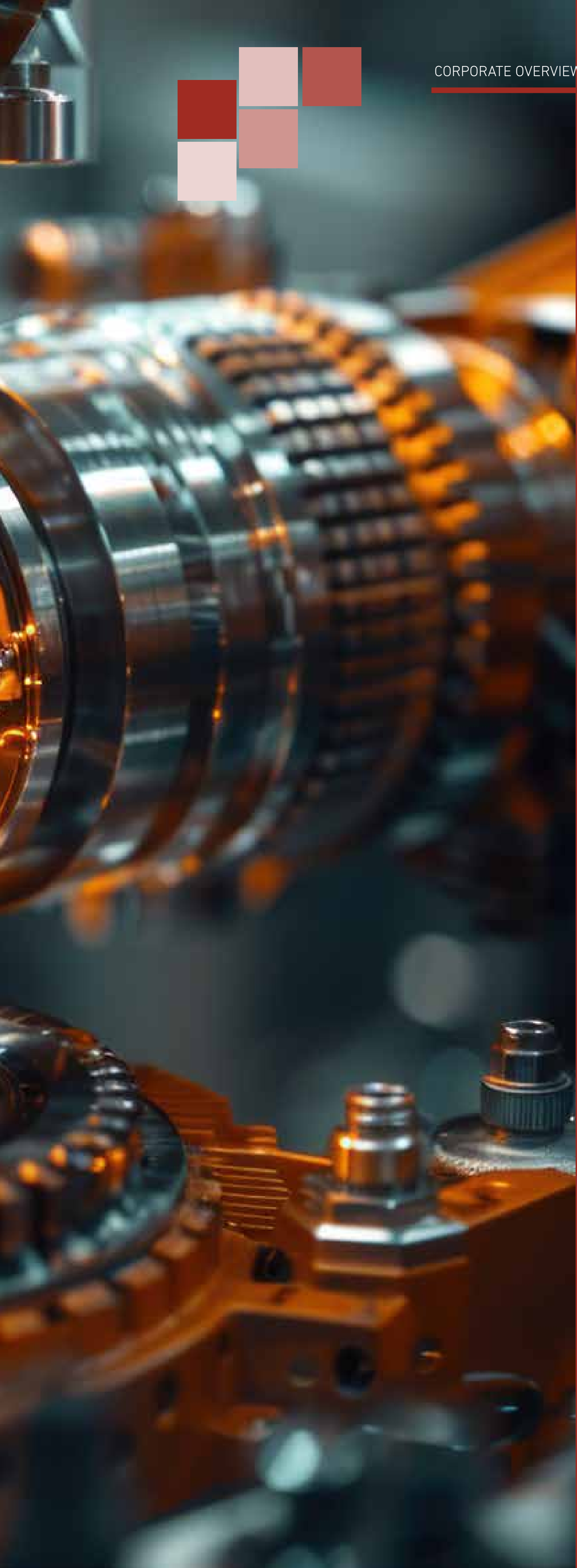
ANNUAL REPORT 2023-24

Reporting scope and boundary
This report covers financial and nonfinancial information and activities of Balu Forge Industries Limited ('the Company' or 'BFIL') during the period April 1, 2023, to March 31, 2024. In this, we aspire to provide an incisive view of our performance and strategy across business segments. The content of this Report depicts both quantitative and qualitative disclosures on our performance.

Forward-looking statements
This Report contains statements about expected future events and financials of Balu Forge Industries Limited, which are forward-looking. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate and actual future results and events may differ materially from those expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update these forward-looking statements which reflect events or circumstances, after the publication of this document.

Precautionary approach
We follow a precautionary approach towards minimising our operational impact on the environment. We have implemented best-in-class technology for our manufacturing operations to limit our ecological footprint, and we continue to enhance our efforts towards the same. At all our plants, we have implemented environment, health, and safety (EHS) management systems to monitor and address any concerns.

EXCEEDING EXPECTATIONS. LEADING WITH STRENGTH AND STRATEGY.



In a world where challenges constantly evolve, standing still is simply not an option.

That's why our unwavering commitment to exceeding expectations has enabled us to navigate obstacles and pursue a path of growth and sustainability.

Time and again, Balu Forge has surpassed expectations, showcasing leadership through steadfast strength and strategic vision.

We've harnessed our collective strength, navigated complexities, and strategically positioned ourselves to lead with confidence.

Every decision, every action, has been fuelled by a deep understanding of our commitment to our stakeholders and the communities we serve.

This annual report reflects our commitment to not only meet but exceed the benchmarks set before us, showcasing how our focused approach and resilient leadership have driven exceptional results.

With every milestone achieved, we've solidified our position as an industry leader, propelled by a clear vision and a strategy that turns challenges into opportunities for growth.

Our journey has been marked by resilience, innovation, and a relentless pursuit of excellence.

We have not just met challenges head-on; we've turned them into opportunities for growth.

By leading with strength and strategy, we have built a foundation that goes beyond meeting expectations, it sets new benchmarks for what we can achieve together.

As we reflect on our achievements, it's clear that our success is a testament to the dedication and hard work of our team, the trust of our partners, and the unwavering support of our stakeholders.

We believe that our focus on producing margin accretive value-added products has led to our transition from being just another forging company to a multi-product offering company.

Even after decades of operations, we believe our journey is just beginning, with countless milestones still ahead and new horizons to explore. With the right array of products and capabilities, we are engineering the future responsibly and sustainably.

Together, we have not just reached our goals; we have surpassed them, paving the way for a future defined by even greater possibilities.

NUMBERS THAT DEFINE OUR LEADERSHIP

3
State-of-the-art facilities spanning across 8 acres

80+
countries where BFIL has product presence

18,000
MTPA
BFIL's integrated machining capacity

35+
years Long standing industry experience

1,000+
Strong and dedicated workforce

46
Acres
New State-of-the-art facility being setup

3,60,000
Annual crankshafts production capability

About us

This is the story of Balu Forge Industries Limited

FACILITATING GROWTH THROUGH THE SEAMLESS INTEGRATION OF EXCELLENCE

OUR MISSION & VISION

We aim to always **under promise** & **over deliver** in all our ventures.

We continuously strive to be a preferred supplier to our patrons & partners all around the world.

We aim to enhance and grow our reputation as one of the world's most respected manufacturing companies by exceeding customer expectations, providing an engaging and supportive work environment, and delivering financial success.

We aim to ensure that we establish a robust management system to enhance customer's experience in dealing with us, satisfaction of all stakeholders and due consideration to the environment.

We commenced our operations in 1989 as a manufacturer and supplier of precision engineered products, crankshafts and forging components which find application across a wide range of end user industries.

We've consistently seized market opportunities and responded to diverse customer needs, gradually expanding and refining our engineering capabilities and processes. With strong support from our R&D team, BFIL has carefully carved out a niche within the complex fabric of our industry. This dedication has led us to offer products that are precisely tailored to meet the evolving demands of our discerning customers.

We are continuously expanding our capabilities to manufacture and supply an even broader range of products. With a strong focus on quality and R&D, we have solidified our reputation as a reliable and quality-driven manufacturer of precision-engineered products across large array of industries. Our commitment to manufacturing excellence is further strengthened by adopting the best Industry 4.0 practices, enabling us to achieve greater scale and efficiency in our operations.

The integration of these manufacturing capabilities has allowed us to create a seamless, end-to-end supply chain tailored to the needs of our customers in the forging and precision equipment sectors. Building on our engineering expertise and advanced machining capabilities, we've expanded our offerings to include the production of complex and critical machined components. This specialized expertise positions us to meet the precision engineering and machining demands of various industries, including railways, automobiles, defence, renewable energy, agriculture, heavy-duty machineries and beyond.

OUR CULTURE
THE DRIVING FORCE OF OUR SUCCESS

Commitment to Quality

We deliver products that exceed our customer's expectations.

Honesty

We are genuine and open in our communication.

Respect

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

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

Creativity

We invest in personal and professional development.

We work together towards a shared goal.

Growth

Teamwork

WIDE ARRAY OF OFFERINGS

Delivering innovative, high-quality solutions

What we have on offer

We provide a diverse range of precision engineering and metal forming products, serving a wide variety of industries. Our innovative approach guarantees enhanced efficiency and cost-effectiveness. At BFIL, we are dedicated to delivering high-quality, cutting-edge solutions that boost our customers' reliability, resilience, and economic performance. Recognizing the evolving landscape, we have expanded our product portfolio to meet the demands of multiple industries like automobiles (traditional ICE and new energy), industrial vehicles, earthmoving machinery, wind energy, aerospace, defence, oil and gas, locomotives & railway application, marine, agriculture and others. of both traditional ICE applications and emerging New Energy Vehicles.

Additionally, our quality certifications like ITAF 16949, ISO 9001:2015, ISO 14001:2015, and ISO 18001:2015, among others, have helped us cater both renowned domestic and international clients.

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

INDUSTRIES WE CATER

Defence

Agriculture
Tractors, Harvesters

Oil & Gas
Pumps
Compressors

Heavy Duty
Trucks, Buses
Trailers
Automotive

Generator
Industrial, Standby Home backup, Portable

Refrigeration Compressor Industrial

Off Road & On Road Motorcycles, Carts, Jet Skis

Railways

Marine

Aerospace

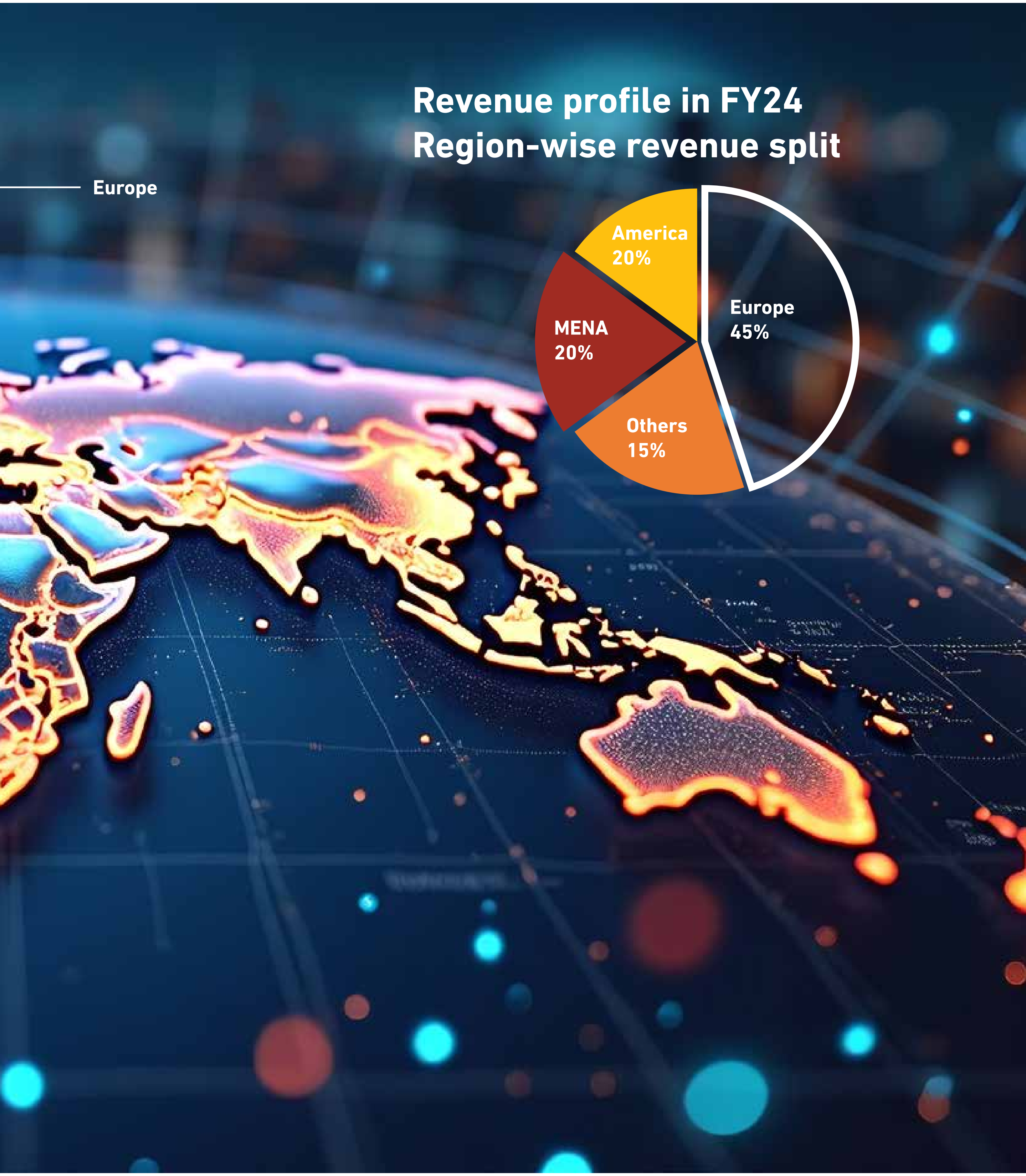
Locomotive

High Performance Racing Series

WHERE WE ARE

Based in Mumbai, India, our company operates cutting-edge manufacturing facilities in Karnataka and the United Arab Emirates. This strategic network positions us to tap into the vibrant markets of India and beyond. Our products have made their mark in over 80 countries across six continents, demonstrating our global reach and commitment to serving diverse customer needs.

Revenue profile in FY24
Region-wise revenue split



EXCEEDING EXPECTATIONS.

At BFIL, exceeding expectations is not just a catch phrase. Rather, a commitment.

It is about addressing the present but **investing in the future**.

It is about **enunciating a clarity of where the company is headed**.

It is about creating a Balance Sheet that empowers the company to **think big and different**.

It is about **broad-basing to build** a more sustainable business.

It is about **catering a wide range of industries** to address a larger market opportunity.

It is about voluntarily raising the bar and **responding to a higher calling**.

It is about playing for the best but **de-risking for the unforeseen**.

It is about **seeking opportunities** in chaos and turbulence.

Reflecting on the performance of FY24. Reflecting on a year of progress and achievements

BFIL recorded its highest ever PAT in FY24

₹9,367.34 lakhs
PAT, FY24

BFIL recorded its highest ever PBT in FY24

₹11,384.30 lakhs
Profit before tax (PBT), FY24

BFIL recorded its highest ever revenue in FY24

₹55,985.58 lakhs
Revenue from operation, FY24

BFIL recorded its highest ever EBIDTA in FY24

₹12,953.55 lakhs
EBIDTA, FY24

Increase in revenue from operations and profitability for the year can be largely attributed to the expansion in our product offerings, an increase in demand for our key products across various industries, growth in exports, increased contribution from higher margin products and improved operational efficiency.

Note: All the figures are as of 31 March, 2024

Mr. Jaspal Singh Chandock, Chairman & Managing Director, Balu Forge Industries Limited, reflects on strategic progress, the year's performance, and the growth opportunities ahead.

Q Where you pleased with the performance of the Company in FY24?

A It has been an excellent year at BFIL, with significant strategic progress and strong financial performance. A landmark moment of the fiscal year has been the commencement of the construction of our new 52,000 square meter manufacturing facility in Belgaum, Karnataka. This is a watershed event in the history of BFIL, as it helps us further strengthen our presence within the industry. This event signifies our evolution into a comprehensive solutions provider with a focus on innovation and sustainability. In terms of our financial performance, it was another exciting year as we recorded our highest ever revenue and PAT in FY24. All our key financial measures were met, with revenue and EBITDA both showing double-digit growth and productivity benefits well ahead of our target.

Coming to the financial performance of the Company, BFIL exhibited significant agility and recorded a revenue of ₹ 55,985.58 lakhs in FY24, up by 71.40% over FY23. Our PBT and EBITDA stood at ₹11,384.30 lakhs and ₹12,953.55 lakhs, after registering a 125.14% and 107.51% y-o-y growth, respectively. In terms of profitability, we showcased remarkable growth and grew by 140.73% in FY24 to stand at ₹9,367.34 lakhs. We also delivered margin expansion and double-digit EPS growth.

In FY24, while exploring new areas and technologies, we also focused on strengthening our core. We advanced our strategy by improving our business mix, enhancing backward integration capabilities, and increasing wallet share from existing clients, while also acquiring new clients in both domestic and international market. We improved our technological capabilities and added new equipment to our plants to streamline processes further.

Our journey in FY24 began on a high, propelled by the eagerness with which the market accepted our products across different categories. We saw a palpable upswing in revenues and heightened profitability thanks to the rising acceptability of our products.

Q What were some of the key operational highlights for the Company in FY24?

A On the operational front, we undertook several key initiatives which helped us remain cost competitive and boost our bottom-line. As part of our strategic initiatives in FY24, we embarked on a significant project with the commencement of construction on our new plant in Belgaum. This facility is set to strengthen our presence in the defence sector by focusing on the production of undercarriage parts and heavy forging components for the global defence industry. Additionally, the rail wheel, axle, and wheelset production unit will help us meet the increasing demand for railway systems and solutions, both domestically and internationally. Furthermore, the new energy components unit will enable BFIL to broaden its footprint in the emerging energy sector, with a particular emphasis on developing expertise in fuel-agnostic systems and components, thereby diversifying and balancing our overall product mix.

We prioritized the allocation of resources to ongoing research and development, ensuring continuous improvements in product quality, performance, and efficiency. This commitment keeps BFIL at the cutting edge of innovation. Additionally, we streamlined our internal processes to enhance operational efficiency, minimize waste, and reduce lead times, which led to significant cost savings and increased customer satisfaction. As part of our risk diversification efforts, we focused on enhancing the adoption of newer technologies to make our products more value efficient.

Recognizing the importance of a resilient supply chain, we developed a robust strategy that anticipates potential disruptions and ensures a consistent flow of materials. By diversifying our suppliers and implementing contingency plans, we fortified our supply chain against unforeseen challenges.

Q What strategies did BFIL employ in the fiscal year 2024 to fortify its industry presence and sustain its growth trajectory?

A At BFIL, we invest in comprehensive employee training and skill development programs, cultivating a team of highly qualified and motivated professionals. These skilled employees are the driving force behind our innovation and operational excellence. We foster a culture of continuous improvement, where employees are empowered to propose and implement ideas that enhance both processes and products.

To mitigate risks associated with economic fluctuations, we expanded into new markets and customer segments, reducing our dependence on any single market. This diversification strengthens our resilience in the face of changing economic conditions.

At BFIL, we strive to stay at the forefront of the New Energy Vehicle sector by concentrating on the development of efficient and innovative solutions. With decades of expertise in precision machining and metal forming, we've leveraged our experience to provide a diverse range of products tailored for New Energy Vehicles. Our offerings span across BEVs, PHEVs, and hydrogen vehicles, combining traditional automotive excellence with cutting-edge innovations. This approach ensures our products are lightweight, highly load-bearing, reliable, and cost-effective.

Our focus remains on understanding and meeting customer needs through personalized products, efficient customer service, and strong relationships. We proactively gather customer feedback to identify areas for improvement and use this insight to fuel product innovation. Lastly, we developed a strong brand identity that resonates with our customers, leveraging effective marketing strategies to communicate BFIL's unique value proposition.

Q What are your capex investments in FY24 and targets for the next few years?

A Over the past few years, our primary capital expenditures have been focused on expanding our capacity. In FY24, our major capex investment was towards the development and operationalization of the new greenfield project across 40+ acres of land in Belagavi. Another, area that we focused on was towards the commissioning of the plant and machinery acquired from Mercedez Benz, which was partially commissioned to enhance the manufacturing process and the final product's performance.

The company currently boasts a production capacity of 18,000 TPA for forged and machined components. Recently, BFIL expanded its capabilities by acquiring specialized assets with an additional 14,000 TPA installed capacity. These assets are scheduled for installation and commercialization by the second quarter of FY25, bringing the company's total production capacity of precision-engineered components to approximately 32,000 TPA.

Moreover, the company is embarking on a significant expansion by establishing an advanced forging facility. This includes the installation of a 16-ton closed-die forging hydraulic hammer, one of the largest in the country, capable of producing forgings weighing up to 1 ton. The expansion will also feature a 10-ton closed-die forging hydraulic hammer line and an 8,000-ton capacity mechanical forging press, increasing the overall forging capacity to 72,000 tons. This new setup will be fully automated, incorporating cutting-edge technology such as an anti-vibration system and robotic handling, ensuring compliance with Industry 4.0 standards for best-in-class manufacturing practices.

Q What gives you confidence in the growth potential of the business?

A I believe BFIL is well-positioned to deliver sustainable organic growth for a number of reasons: in each of our business segments, we are one of the emerging players and have a growing market share; we operate in a growing market with attractive growth rates; and our portfolio of diverse products and service solutions helps us address consumer needs effectively.

We concentrated on deepening our expertise in specific verticals by expanding our footprint in similar technologies that can be adapted across multiple programs. At BFIL, we're passionate about pushing boundaries to meet the evolving needs of our customers. Therefore, in the recent years we focused growing our presence in some of the key sectors for the company such as defence, railways and new energy vehicle space.

From bustling trade shows to personalized support, we're dedicated to building strong connections with our customers. Our competitive pricing and unwavering focus on quality make us a trusted choice for those seeking both performance and value. We're also proud of our commitment to sustainability, ensuring that our products not only deliver but also respect the planet.

Q How do you plan to enhance BFIL's relevance in the defence and railway segment?

A A significant portion of our capital investment over the next decade is dedicated to bolstering defence production. This includes key joint ventures and technology partnerships that are currently in the pipeline. Our focus in the coming years will be on artillery, undercarriage components for armoured vehicles, weapons and ammunition for both light and heavy regiments, as well as forged and machined components for the engine division.

We are also planning a specialized unit for the production of ammunition and advanced defence systems, in collaboration with leading global defence companies. Additionally, a dedicated defence production facility will complement the efforts of our R&D and Innovation Campus in Belgaum, India, which will drive the strategy for developing advanced defence systems and solutions. The campus features a 4,000-square-meter technology center outfitted with state-of-the-art equipment.

We have a proven track record, having successfully supplied defence forces in two major European countries for several years as their exclusive provider. Moving forward, we aim to further expand our global reach, strengthening relationships with more defence organizations worldwide, while establishing a robust defence production hub that caters to both local and international needs.

Further, we are focusing on growing our diverse range of wheels, axles, and wheel sets designed to meet the varied needs of our customers, thereby supporting the Indian government's Make in India initiative. As one of the few companies with the capability to produce wheels, axles, and wheel sets entirely in-house, we take pride in being a fully integrated business. Our dedicated railway vehicle design and development team ensures that we deliver prompt, high-quality, end-to-end solutions for our clients. We cater to bulk requirements for locomotives, passenger vehicles, freight vehicles, and other coaching vehicles. With an annual production capacity of around 6,000 wheel sets, we would continue to provide top-notch products suitable for railway wagons, passenger coaches, and locomotives across various gauges. Thanks to our multi-year expertise in this segment, we have successfully started supplying wheels, axles, and wheel sets to Indian Railways and secured a long-term contract with a Middle Eastern nation during the year. We also received an approval from Indian Defence to supply 180+ products in the year ahead.

Q Can you say more about BFIL's innovation mindset and why it is important?

A Leveraging our extensive R&D and innovation capabilities, we develop products that are not only sustainable but also highly beneficial for our clients. We regularly invested to periodically upgrade the technology used in our manufacturing process and bring to the table customer-centric meaningful innovations. By integrating our engineering knowledge, application capabilities, industry insights, and operational excellence, we deliver high-quality engineering solutions and precision machined components to our patrons globally.

Major innovation focused initiatives undertaken in FY24

- Exploring the potential of high-performance materials like lightweight alloys and advanced composites.
- Adopting mordern manufacturing techniques, such as additive manufacturing (3D printing) and advanced machining, to achieve unparalleled precision and meet tighter tolerances.
- Utilizing computer simulations and finite element

analysis to analyze and optimize designs, enhancing performance while minimizing stress concentrations.

- Pioneering innovative designs and technologies aimed at reducing engine vibration and noise, leading to smoother operation and enhanced comfort.
- Researching components tailored to hybrid and electric vehicle platforms, addressing unique mechanical requirements and maximizing energy recovery potential.
- Developing specialized solutions for distinct market segments, including heavy-duty vehicles, marine engines, and high-performance applications.
- Investigating new heat treatment processes to significantly improve the strength and fatigue critical components.

These engagements underscore our commitment to technological innovation and strategic partnerships, solidifying our leadership in the industry.

Q What are your aims for the coming year and beyond?

A I am optimistic and excited about the future of our business. Today, BFIL is purpose-led and focused on growth, and we intend to deliver on both our financial growth ambitions and purpose commitments. In the coming fiscal years, we anticipate a robust revenue growth of []x, driven by emerging opportunities in the defence sector, automobile sector and renewable energy sector. To realize this goal, we have devised a comprehensive strategy that includes significant new capital expenditure, exploring new applications in our existing product portfolio, and building a robust team and network to capture new opportunities effectively. We are optimistic about BFIL's growth, driven by strong demand and our strategic initiatives. Our focus on innovation, partnerships, and excellence positions us well to support India's self-reliance in across different industries.

We have a compelling purpose, a clear strategy and a strong balance sheet providing the ability to invest for growth. We are on a mission to bring a positive change to communities, the environment, economy, and everyone connected to BFIL. For that, we count on your unending trust and support. I would like to thank our Board, senior leadership, team members, trade partners and customers for their faith in our ability to create sustainable value.

INVESTMENT PROPOSITIONS

What makes Balu Forge Industries Limited an interesting investment story?

The allure of investing in BFIL lies in the captivating narrative we offer within our investment propositions.

Our fundamental approach to business has undergone a profound transformation under our experienced management team, marked by a commitment to long-term investment strategies while concurrently delivering robust and cash-generating profit growth in the immediate term.

Our growth as one of world's largest precision engineering & metal forming Company, coupled with strategic diversifications in related product lines and regular capacity expansion, forms the cornerstone of our growth trajectory. This strategic alignment positions us favourably for sustained long-term investments made by state as well as private sectors.

Growth in revenue compared to FY23

71.40%

Our investments in research & development, cutting-edge technology, quality processes, capacity enhancements, state-of-the-art facilities, and process improvements business are set to help us build a growth-focused yet sustainable business model.

Growth in EBIDTA (Excluding Other Income) compared to FY23

139.31%

To ensure sustainable growth, we've adopted a holistic approach. Rather than relying solely on external factors, we've focused on strengthening our internal operations. By optimizing processes, introducing innovative products, and strategically expanding into new markets, we're building a solid foundation for long-term success.

Growth in PBT compared to FY23

125.14%

While organic growth remains our primary focus, we recognize the value of strategic acquisitions and partnerships. By carefully evaluating market conditions, financial factors, and our long-term goals, we'll seek opportunities to expand our capabilities through mergers, acquisitions, or collaborations that align with our core strengths. Our recent acquisition of top-quality forging lines is a testament to this approach.

Growth in PAT compared to FY23

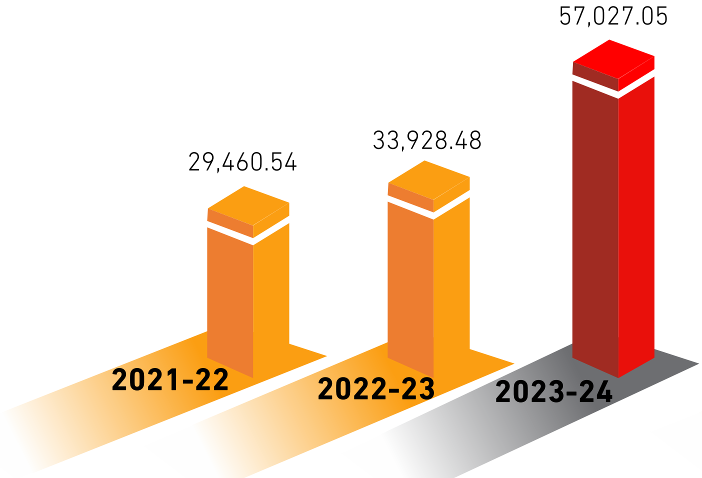
140.73%

In essence, these factors collectively constitute the compelling narrative that underscores why BFIL stands as an intriguing investment opportunity, poised for an exciting future.

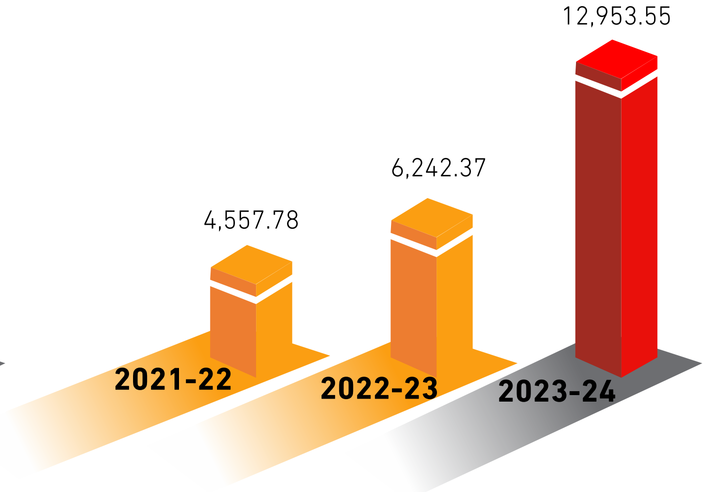
EXCEEDING EXPECTATIONS

By delivering sustainable value

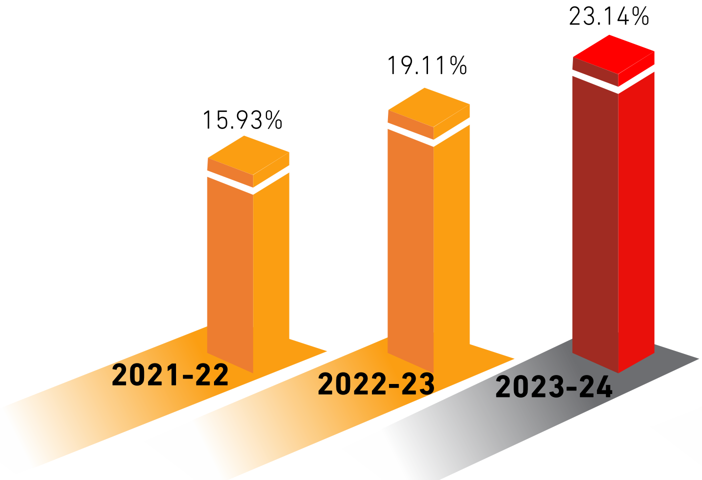
Total Income (₹ in Lakhs)



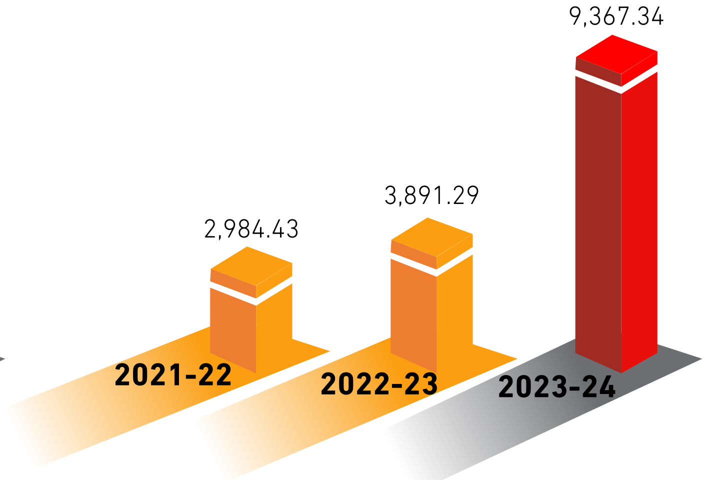
EBIDTA (₹ in Lakhs)



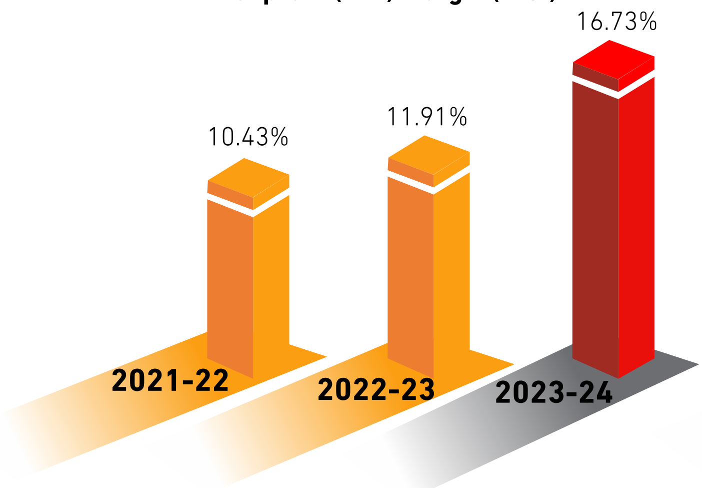
EBIDTA margin (in %)



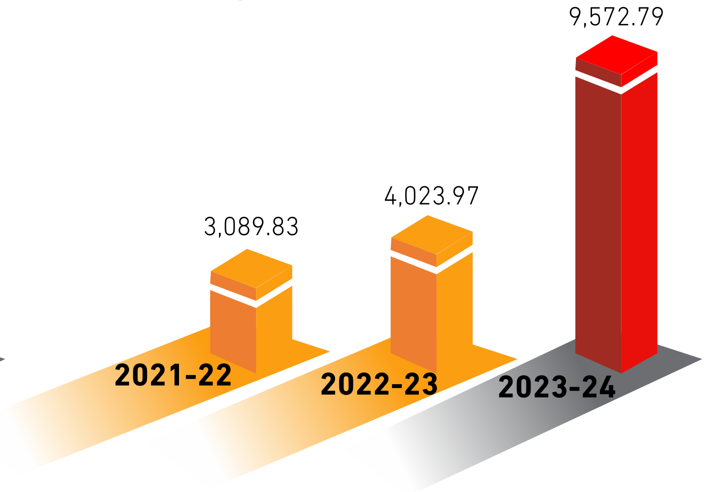
PAT (₹ in Lakhs)

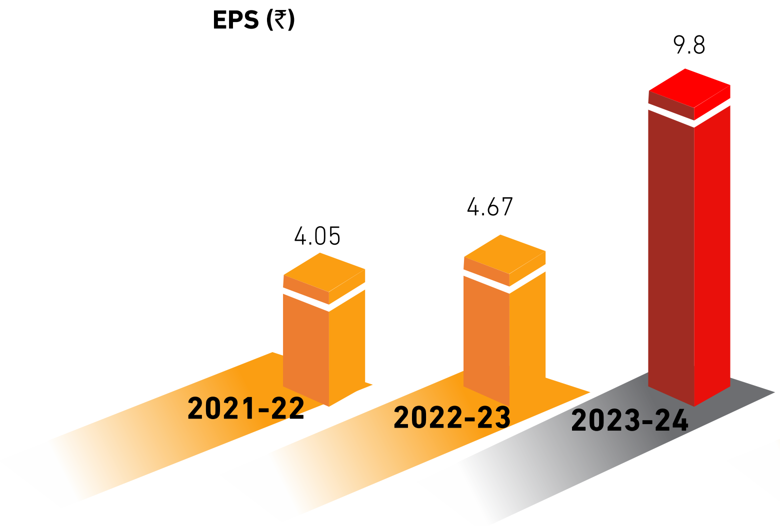


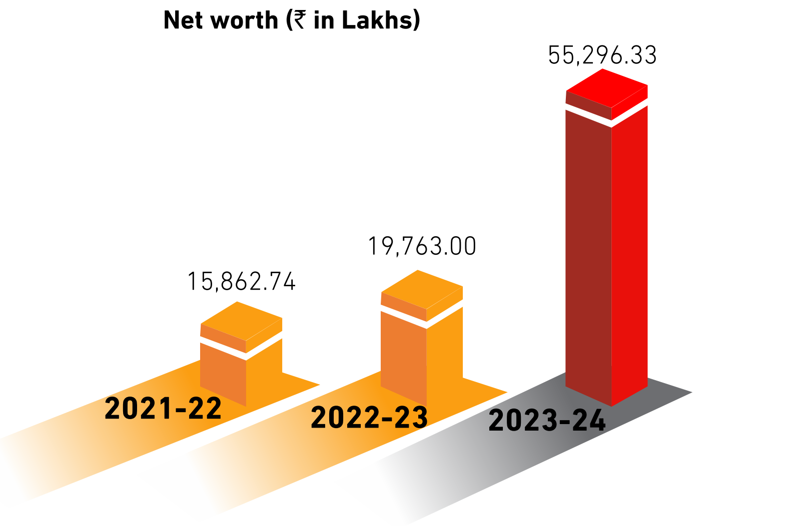
Net profit (PAT) margin (in %)

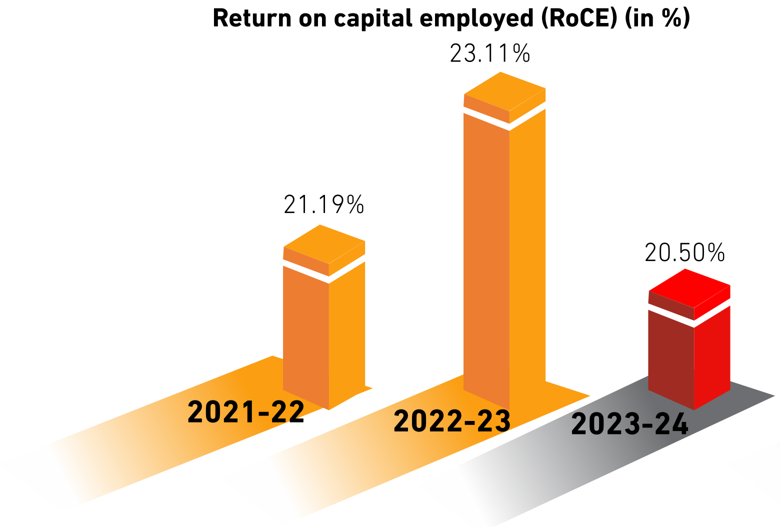


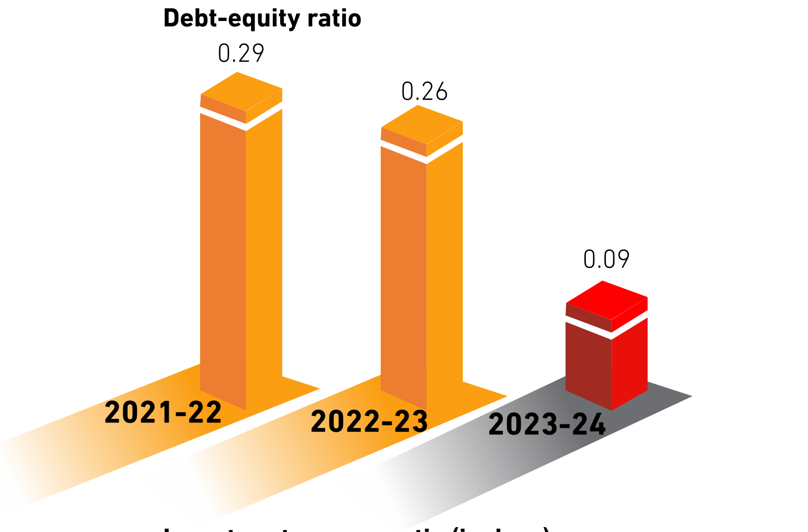
Cash profit (₹ in Lakhs)

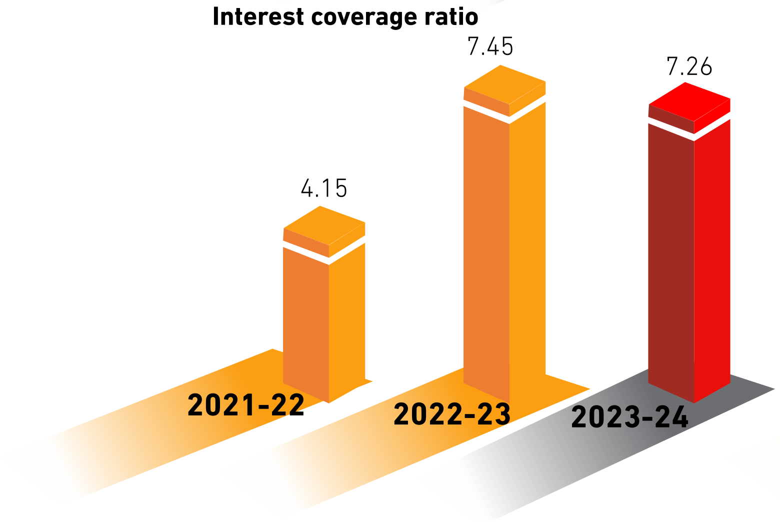


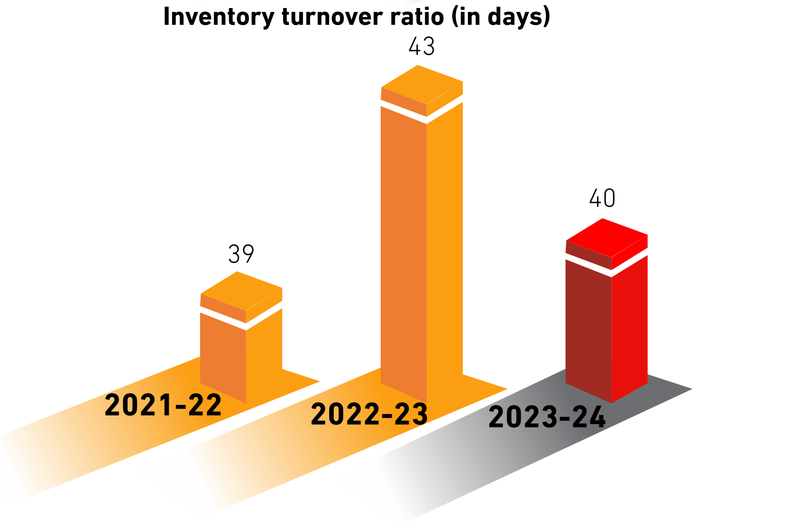

EPS (₹)
4.05
4.67
9.8
2021-22
2022-23
2023-24


Net worth (₹ in Lakhs)
15,862.74
19,763.00
55,296.33
2021-22
2022-23
2023-24


Return on capital employed (RoCE) (in %)
21.19%
23.11%
20.50%
2021-22
2022-23
2023-24


Debt-equity ratio
0.29
0.26
0.09
2021-22
2022-23
2023-24


Interest coverage ratio
4.15
7.45
7.26
2021-22
2022-23
2023-24


Inventory turnover ratio (in days)
39
43
40
2021-22
2022-23
2023-24

OUR LEADERSHIP

Board of Directors

Jaspalsingh Chandock

(Chairman & Managing Director)

A Mumbai based & 2nd generation entrepreneur with almost four decades of experience in the precision machining sphere. The Foundation for 'BALU'' was laid by Mr. Jaspal Singh Chandock under the guidance of late Mr. Prehlad Singh Chandock & the company has risen to new heights with a consistent year on year growth. The manufacturing of critical & high precision components has always been core to the vision of Mr. Jaspal Singh & a presence in over 80 countries has led to the establishment of a global brand strong in its values & integrity under his leadership.

Trimaan Chandock

(Executive Director)

A young & dynamic leader with a MSc & a BSc in Management Studies from H.R College, Mumbai. A 3rd generation entrepreneur who joined the company in 2009. A visionary with a keen interest in innovation in the field of manufacturing. The company 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 TS16946 status under the leadership of Mr. Trimaan Chandock. The Strategic Decision for the Transition of Balu to a Publicly Listed Enterprise has been his brainchild & he has established the structure to build Balu into a truly global enterprise.

Jaikaran Chandock

(Executive Director)

The youngest recruit who joined the business in 2014 after completion of BSc in Business Management from Cass Business School, London & MSc in Strategic Marketing from Imperial College, London. He has had Previous experience in MNCs such as Reeves & Njoy. As entrepreneurship runs in the family, the recent addition has led to application of new technology in the company & further diversification to a range of Precision Components. The expansion of the R&D facility under his vision has set a base & laid the path of BFIL for the future.

STATUTORY REPORTS

Management discussion and analysis

GLOBAL ECONOMY OVERVIEW

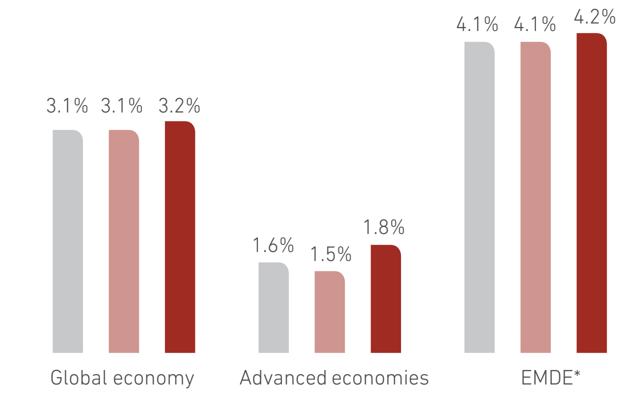
The global economy demonstrated remarkable resilience in CY 2023, growing at a rate of 3.2%, despite geopolitical headwinds and volatility in commodity prices, resulting in inflation across advanced and emerging economies. To curb inflation, the Central Banks of major economies resorted to calibrated interest rate hikes.

Inflation rates decreased rapidly than anticipated from their peak in CY 2022, resulting in gradual growth in the economic activity and employment in the US, Europe and other emerging economies. However, geopolitical tensions continued to disrupt supply chains and global trade and commerce.

The economy of China also continued to demonstrate stress during the course of 2023, which is likely to continue in 2024. China, being a large economy with huge manufacturing capacities and supply chains, may pose an underlying threat to global economic growth.

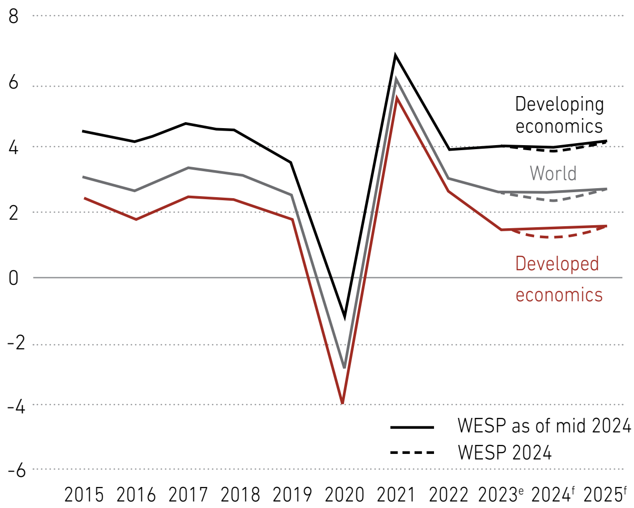
However, many emerging economies, such as India, Vietnam and Mexico, experienced robust growth, along with increased capital inflows from foreign institutional investors. It is encouraging to note that consumer price indices are improving, with the easing inflation and improving consumer confidence in the advanced economies. The transition towards electric vehicles is reshaping global manufacturing activity and trade patterns as countries aim to reduce carbon emissions from transportation. This shift has led to a surge in worldwide demand for electric vehicles and associated components such as batteries and semiconductors.

Global economic growth (real GDP growth in %)



(Source: https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024)

World economic output (in %)



(Source: United Nations, World Economic Situation and Prospects as of mid-2024, May 2024) [e: estimated; f: forecasted]

Outlook

The global economic outlook is currently uncertain. Although there are early indications suggesting a potential for gradual recovery and stabilisation, this outlook remains cautious due to ongoing geopolitical challenges in Europe and West Asia. Inflationary pressures, while expected to ease eventually, may still cause periods of volatility in the near future. This necessitates a cautious approach, with close monitoring of both internal and external factors to effectively navigate the evolving economic landscape.

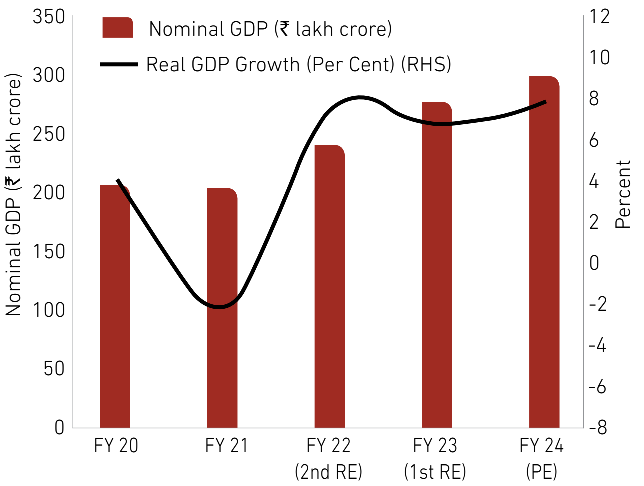
Global trade volume (goods and services) is projected to grow modestly by 3%in CY 2024 and 3.3% in CY2025, respectively *(Source: IMF)*. The collective policy responses of governments and the resilience of economies worldwide will be instrumental in shaping a sustainable and inclusive growth trajectory in the months ahead.

INDIAN ECONOMY OVERVIEW

During FY24, India's economic growth remained resilient amid global headwinds. The government has significantly contributed to the country's infrastructure expansion through increased capital expenditure (Capex) in railways, roadways, airports, and ports.

According to the National Statistical Office (NSO), India has registered a real GDP growth of over 8.2% during FY24. India's per capita disposable income has been rising over the years and is expected to be ₹2.14 lakh in 2023-24, driven by overall economic growth. This rebound in economic growth can be attributed to India's sound macroeconomic fundamentals, burgeoning domestic demand and prudent monetary policies implemented by the RBI.

Growth of the Indian economy



[Source: Statement 13: Annual and Quarterly Estimates of GDP at Constant Prices, and Annual and Quarterly Estimates of GDP at Current Prices 2011-12 Series, National Accounts Data, MoSPI];

Note: RE – Revised Estimates | PE – Provisional Estimates

The manufacturing sector emerged as the primary driver of industrial Gross Value Added (GVA) growth, recording a steady growth rate of 11.6% during FY24. The declining inflation and greater credit demand underpin the inherent optimism in the economy. Headline inflation, as measured by the year-on-year changes in the all-India Consumer price Index (CPI), remained stable at 5.1% in February 2024.

Moreover, easing supply-side constraints coupled with the government's consistent emphasis on capital expenditure and increased reliance on domestic demand have kept the Indian economy relatively shielded from macroeconomic shocks. The gross GST collection during April February FY24 stood at ₹18.4 lakh crore, registering an impressive11.7% increase compared to the corresponding period last year.

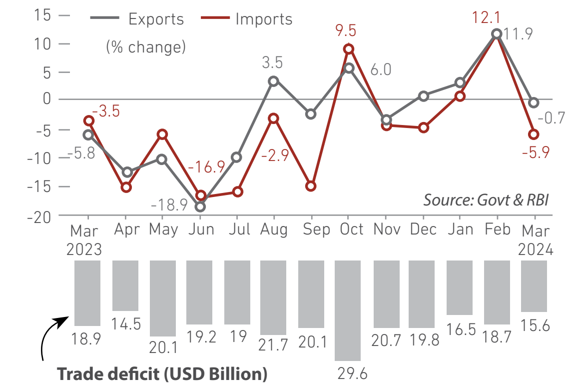
India has emerged as an alternative to China and is set to become the third-largest economy in 2027 in USD at the market exchange rate. Merchandise exports witnessed a seasonal peak in March 2024, coinciding with the peak in industrial production. Notably, there has been greater capacity utilisation across the manufacturing sector, fuelling economic growth. The government has also announced several measures and made substantial investments to ensure the welfare of farmers and bolster the agriculture sector.

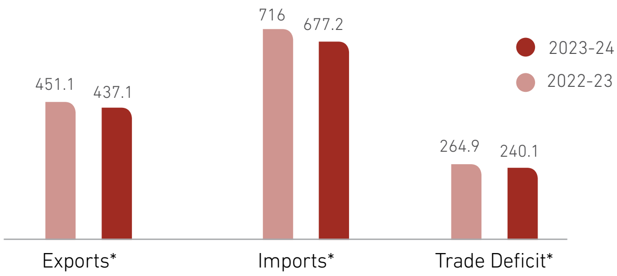
EXPORT SCENARIO

India's strong GDP growth fundamentals and expected global easing of monetary tightening helped spur global demand, thereby resulting in a positive growth sentiment for the exports during the fiscal.

Due to geopolitical conflicts and interruptions in trade routes, India experienced a 3% decline in merchandise exports, amounting to $437 billion in the fiscal year 2023-24. Concurrently, imports decreased by 5.4%, totaling $677 billion. This contraction in trade activity contributed to a reduction in the trade deficit, which shrank to $240 billion in FY24 from $265 billion in the preceding fiscal year. Over the entire year, the country's exports of goods and services reached an unprecedented high of $776.7 billion, while imports combined to approximately $855 billion.

Trade deficit at 11 months low - India's export statics in the last financial year





(Source: https://timesofindia.indiatimes.com/business/india-business/goods-exports-dip-3-imports-5-in-2023-24/articleshow/109326390.cms) [* in USD ($) billion)]

Petroleum products significantly impacted export figures, with a 14% reduction to $84 billion in the last fiscal year, partly due to decreasing global prices. Conversely, electronics and pharmaceuticals stood out as key sectors. Mobile phones drove electronics exports up by 23.6%, surpassing $29 billion, while pharmaceutical exports from the country are believed to have grown by 9.7%, reaching $27.8 billion. Engineering goods also saw an increase, with shipments exceeding $109 billion, a 2.1% increase. Similarly, on the import side, there was a 14% decrease in crude oil imports, amounting to $179.6 billion.

Outlook

India's economic growth outlook for FY2025 looks promising, according to the latest report from the Finance Ministry. This positive forecast is fueled by strong growth and robust fundamentals. Economic activity will be driven by a healthy rabi harvest, sustained manufacturing profitability, resilience in the services sector, and improved household consumption and private capex cycle. Strong private consumption has contributed to the Indian economy's resilience and high growth rates in the past three years. This has led to the establishment of new plants and the acquisition of machinery to meet increasing capacity utilization.

Despite these positive trends, there are some challenges on the horizon. Geopolitical tensions, supply chain disruptions, higher logistics costs, volatility in international financial markets, and geoeconomic fragmentation are concerns that the government will need to address. Overall, the economic outlook for India in FY25 is optimistic, with strong growth prospects supported by various factors. It will be important for policymakers to navigate potential challenges effectively to ensure continued economic growth and stability.

India is fast emerging as a preferred manufacturing hub, catering to global demand for manufactured goods and the China+1 strategy of global OEMs to secure their supply chains is working in favour of India. Being a huge consumption-driven domestic economy with growing export opportunities, India is likely to surpass the rate of growth of major global economies in the years to come.

GLOBAL AUTOMOTIVE INDUSTRY

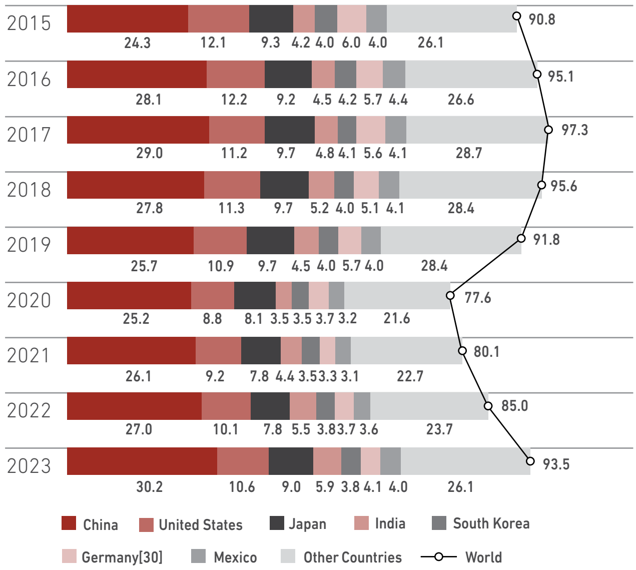
The global automotive industry is a dynamic and highly competitive sector that encompasses the design, development, production, and sale of motor vehicles. It plays a crucial role in the global economy, making substantial contributions to employment, trade, and technological progress. Electric vehicles, autonomous driving, connectivity, and shared mobility are playing a significant role in shaping the industry. Concerns about sustainability and the environment are spurring the development of electric vehicles and alternative fuels.

Technological advancements, including but not limited to Advanced Driver Assistance Systems (ADAS), Intelligent All-Wheel Drive, Active Aerodynamics, Augmented Reality Windshields, Autonomous Emergency Braking, Connected Cars, Fuel Cells, Self-Driving Cars, Car Sharing, and In-Car Entertainment, have fueled the industry's persistent expansion.

Global Motor Vehicle

Global vehicle production experienced a significant increase in 2023, reaching a total of 93.5 million units, which represents a growth of 10% compared to the previous year. The positive growth in the automotive sector is a result of improved supply chain operations and inventory restocking, leading to increased demand for new automobiles.

Global Motor Vehicle Production by Region (in million)



(Source: International Organisation of Motor Vehicle Manufacturers)

OTHER COUNTRIES

In 2023, the global market for passenger vehicles faced a blend of challenges and opportunities. One of the significant developments was the difficulties experienced by the car market in Western Europe. The region faced various challenges, such as economic conditions, changing consumer preferences, and regulatory changes, all of which played a role in the market's overall decline.

On the other hand, the Asia-Pacific region has established itself as the unequivocal leader in motor vehicle manufacturing and sales. The increase in income levels, especially in India, a prominent regional force, is expected to further enhance this dominance. This results in an increasing consumer base with the financial capacity to purchase automobiles. Production of vehicles in China also rebounded with 12% growth driven by higher global demand for electric vehicles and a surge in commercial vehicle sales, retaining the world's largest market position.

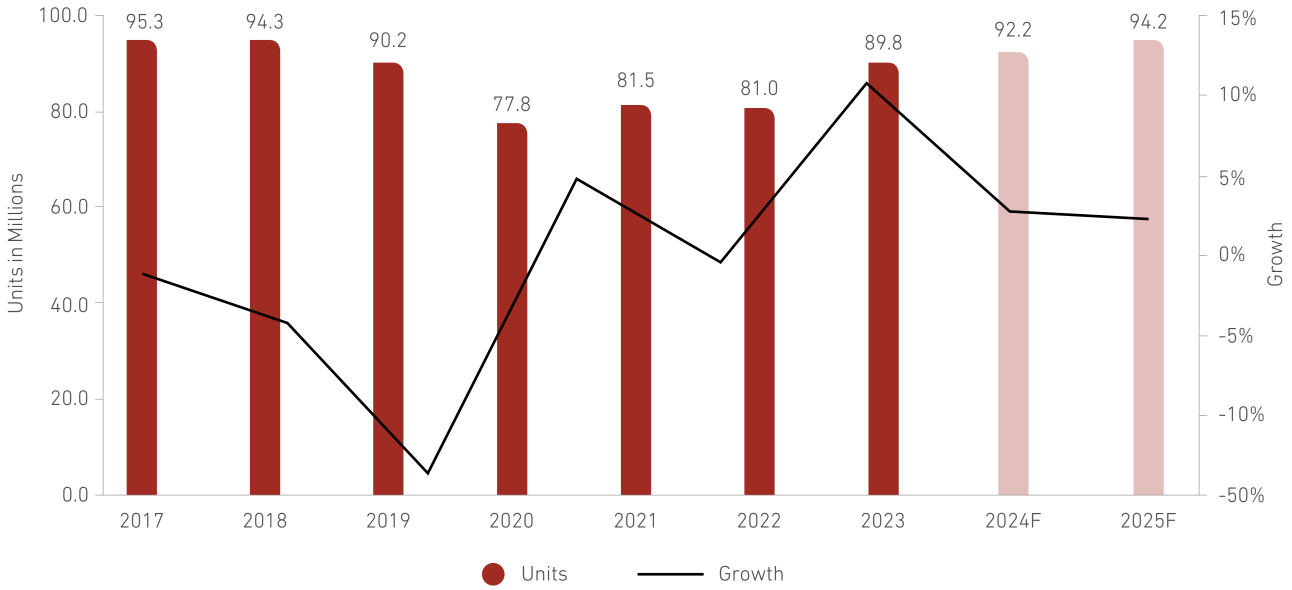
In contrast, the U.S. experienced slower-than-average growth in auto production, hampered by rising interest rates and weakening market conditions that dampened overall progress.

These varied developments across different regions highlighted the ever-changing landscape of the global passenger vehicle market in 2023. While some markets encountered hurdles, others thrived, fuelled by a mix of economic trends, shifting consumer preferences, technological innovations, and evolving regulations. The industry's capacity to adapt to these changing conditions will play a pivotal role in shaping the future of the global passenger vehicle market.

Global auto sales trends

In 2023, global vehicle sales grew almost 11% YoY. As supply chain issues eased, especially related to computer chips, auto production returned to normal levels globally and inventories were restocked across many regions.

Annual global automobile sales



(Source: https://www.kroll.com/-/media/kroll-images/pdfs/executive-summary-automotive-industry-insights-spring-2024.pdf

Global car sales reached almost 90 million units in 2023, a significant jump from 81 million in 2022, marking the highest level since 2019. China, the world's largest automotive market, saw a robust 12% growth. The U.S. market rebounded strongly after a challenging 2022, posting a 13% increase in sales. India maintained its position as the third-largest single-country car market, with an 8% growth and 4.1 million units sold. Meanwhile, European car sales finally returned to positive territory after four years of decline. Japan followed closely with nearly 16% growth, reaching 4.0 million units sold. In Mexico, car sales continued to recover from the COVID-19 pandemic and earlier supply chain disruptions, making it the fastest-growing large car market globally, with over 1.3 million units sold and a remarkable 24% growth rate compared to 2022.

Looking ahead, global vehicle sales are expected to grow by 2.5% to 3.0% in 2024, followed by a modest increase of around 2.0% to 2.5% in 2025

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Global auto industry paradigm shift driving US$660b transformation opportunity.

The global automotive industry is on the brink of unlocking a massive $660 billion revenue opportunity as it pivots from internal combustion engine (ICE) vehicles to electric vehicles (EVs).

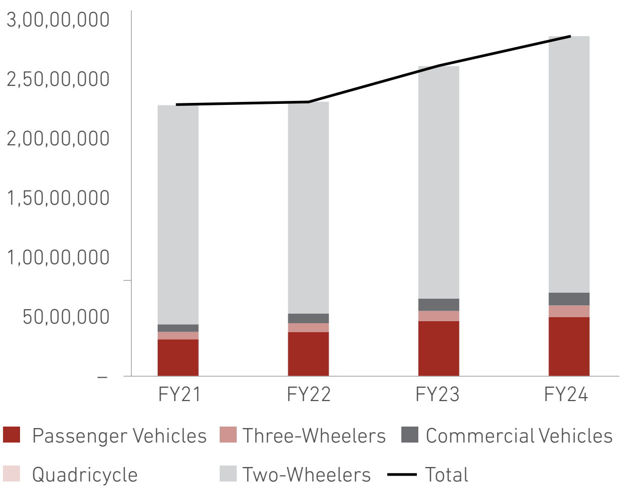
This shift marks a profound transformation in the industry, driven by changing consumer preferences, cutting-edge technologies, and increasingly stringent regulations. Traditional value streams are evolving, with the focus moving from merely manufacturing and selling vehicles to encompassing the entire vehicle lifecycle. This creates a wealth of new opportunities for automakers, battery producers, suppliers, energy companies, and investors to explore fresh avenues for growth.

A key challenge in this transition is the development of a reliable and diverse battery supply chain. Currently, China controls about three-quarters of the world's battery metal refining capacity, prompting various regions to implement localization rules, such as the U.S. Inflation Reduction Act. Accelerating the EV transition will require vehicles that offer greater range, enhanced reliability and safety, and reduced costs in an increasingly competitive market. Moreover, building a robust charging infrastructure is essential. Significant investments are being funneled into battery production and charging networks across Europe, with automakers beginning to vertically integrate to optimize the energy density, lifespan, and thermal stability of their EV batteries.

INDIAN AUTOMOTIVE INDUSTRY

The 'Sunrise Sector', also known as Automotive Industry, is one of the key drivers of economic growth in India with robust backward and forward integrations. The Indian automotive sector has exhibited resilience amid global economic challenges and inflation. The contribution of this sector to the National GDP has risen to about 7.1% in 2023 from 2.77% in 1992-93. It is also poised to rank number three globally by 2030, led by initiatives such as the ₹25,938 crores PLI for automobile and auto components, according to a report by the Ministry of External Affairs.

India's growing automotive production

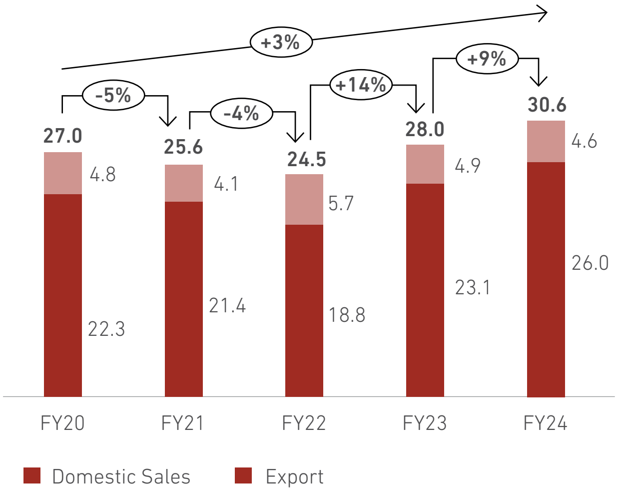


(Source: Society of Indian Automobile Manufacturers)

Overall production saw a significant increase of 10% in FY24, reaching 28.43 million units compared to 25.93 million units in FY23. The passenger vehicle segment had a remarkable year, once again surpassing its previous record for highest-ever production. This growth was fuelled by better vehicle availability, a compelling mix of models, and the introduction of new vehicles. The passenger vehicle segment grew by around 7% year-on-year, reaching 4.9 million units. This surge in production and sales was also bolstered by improved supply chains, strategic marketing initiatives, and expanded road infrastructure. The demand for sports utility vehicles (SUVs) was notably strong, with FADA reporting that, for the first time in India, SUVs captured a 50% market share.

The contribution of this sector to the National GDP has risen to about 7.1% in 2023 from 2.77% in 1992-93. It is also poised to rank number three globally by 2030,

India's growing domestic sales and exports



(Source: https://www.acma.in/uploads/docmanager/SalesReportFY24.pdf)

Vehicle Segment	Domestic Sales Y-o-Y FY23-FY24	Exports Y-o-Y FY23-FY24
	▲ 14%	▼ 5%
	▲ 8%	▲ 1%
	▲ 1%	▼ 16%
	▼ 8%	▼ 21%
	▲ 45%	▼ 18%
Total	▲ 12%	▼ 6%

Growth drivers of the Indian automotive industry

- Growing per capita GDP
- Rising middle class income
- Improving infrastructural facilities
- Low vehicle penetration in India

Outlook

The Indian automotive sector's growth is driven by a complex interplay of several factors. The industry's ability to adapt to evolving consumer preferences, embrace technological innovations in electrification, and benefit from supportive government policies has been crucial in shaping its progress. The market's expansion has been bolstered by the rise of the electric vehicle segment and the continued strength of internal combustion engine (ICE) models, underscoring the sector's essential role in facilitating mobility across a nation of over 1.4 billion people, where transportation infrastructure remains a challenge.

Moreover, the sector has attracted substantial Foreign Direct Investment (FDI), with US$ 35.40 billion flowing in between April 2000 and September 2023. This significant investment, representing 5.48% of India's total FDI during this period, has further fueled the industry's growth.

The future of the Indian automotive industry looks bright, with strong growth anticipated in the upcoming fiscal year 2024-25. Two-wheelers are expected to see a robust increase of 7-10%, while passenger vehicles are projected to grow by 6-9%. Commercial vehicles are also on track for a year-on-year rise of 2-4%, approaching levels seen before the pandemic. These projections suggest that the industry will continue to gain momentum and build on its recent successes.

INDIAN RAILWAY INDUSTRY

Indian Railways (IR), with the world's fourth-largest network, has long been the backbone of India's transportation system, moving millions of passengers and vast amounts of cargo across the nation. Now, Indian Railways is setting its sights even higher, striving to deliver seamless, comfortable travel for passengers and a swift, eco-friendly freight network.

Pushing beyond its traditional limits, Indian Railways is focused on driving a transformative journey that lays the groundwork for a sustainable future for India. Trains and stations are being reimagined and upgraded, emerging as gleaming symbols of modern efficiency. The freight network, crucial to the nation's commerce, is becoming faster and more reliable than ever. Indian Railways envisions itself as the key driver of an environmentally friendly transport system, one that champions fuel efficiency and cost-effectiveness. This transformation isn't just a change; it's a bold leap towards a greener, more efficient future for all of India.

IR is committed to building world-class infrastructure at sustainable costs, leveraging the latest technologies. As the nation advances through its Amrit Kaal period, IR's vision for 2047 is both bold and transformative. By 2047, IR aims to establish a 7,000 km High-Speed Rail Network, capable of transporting 10 billion passengers, expand Freight Corridors to 7,800 km, and construct 10,000 km of Elevated Corridors with speeds exceeding 200 km/h. The plan also includes connecting all major cities with Vande Bharat trains, creating over 1,500 Gati Shakti Cargo Terminals, reducing the Operating Ratio to below 70%, achieving 100% Electrification of the network, and boosting electric traction capacity (2 & 25 kVA) over 30,000 Route Kilometers. Other goals include eliminating all remaining level crossings, introducing Hyperloop transportation on 2,200 km, developing over 1,200 stations, improving cargo handling to capture the growing container segment, manufacturing and deploying freight EMUs for parcels and e-commerce, covering the entire network with Kavach safety technology, and increasing the use of solar energy. Through these ambitious initiatives, Indian Railways aims to contribute approximately 1.5% to the country's GDP by creating infrastructure that supports 45% of the nation's modal freight share.

As passenger movement returns to normalcy following the COVID-19 pandemic, the increase in the Passenger Kilometres (PKM) index reflects a growing confidence in rail travel. Passenger revenue has surged to an unprecedented level, surpassing the ₹70,000 crore mark, highlighting this significant resurgence. Currently, 102 world-class, semi-high-speed Vande Bharat trains are operational nationwide, and Indian Railways plans to introduce even more of these trains. This expansion will greatly enhance travel options, improve connectivity, and provide greater comfort and convenience for passengers across the country. The Passenger Kilometres crossed the 1 trillion milestone, reaching approximately 1.07 trillion PKM – a remarkable 12% growth from the previous year.

In the fiscal year 2023-24, Indian Railways continued its strong performance in the freight sector, reaffirming its crucial role as the backbone of India's logistics network. With a freight loading of 1,591 million tonnes – an impressive 5.2% increase over the previous fiscal year – Indian Railways cemented its position as a leading force in freight transportation. This increase in loading resulted in freight revenue of ₹1.72 lakh crore (provisional), a 4.5% rise from the previous year. Indian Railways is steadily advancing towards the 1 trillion NTKM (Net Tonne Kilometres) mark, a significant milestone for energy-efficient transportation in India.

The initiative to establish over 75 Gati Shakti Cargo terminals underscores Indian Railways' commitment to revolutionizing freight operations. These terminals are vital nodes that facilitate seamless goods transportation, boosting trade and commercial activities nationwide. Through the strategic placement of these cargo hubs, Indian Railways aims to maximize the efficiency of freight movement, making a substantial contribution to India's economic growth and development.

Additionally, Indian Railways is on track to achieve its goal of electrifying its entire Broad Gauge (BG) rail network at an accelerated pace. This initiative is part of a broader effort to reduce the nation's reliance on imported petroleum-based energy, enhance energy security, and provide a faster, eco-friendly, and energy-efficient mode of transportation. Significant emphasis has been placed on Railway Electrification in recent years, and Indian Railways has made remarkable progress under the Mission 100% Electrification programme, with several notable achievements in the recent past.

Major highlights of achievements of recent past are as follow:

- Electrified Network of IR has been extended to 63,456 km (96.35%).
- 41,655 Rkm have been electrified during past ten years period of 2014-24 against electrification of 4,698 Rkm
- Indian Railways are about to complete electrification of entire Broad-Gauge network.

The One Station One Product (OSOP) Scheme: With 1,630 OSOP outlets established nationwide, this initiative embodies the spirit of the 'Vocal for Local' movement. By highlighting locally-made products at railway stations, OSOP opens new markets for artisans, potters, weavers, and craftsmen, empowering them financially while preserving traditional skills and heritage. These efforts not only boost tourism but also play a crucial role in the socio-economic development of local communities, nurturing cultural pride and creating sustainable livelihoods.

Indian Railways is committed to strategically harnessing its resources to contribute to the vision of 'Viksit Bharat by 2047'. The Railways is gradually increasing its share in the logistics sector, aiming to transport 3,000 MT by 2030, a goal that's just around the corner. This objective is being pursued through targeted investments in capacity enhancement, resolving bottlenecks, and improving last-mile connectivity. Reflecting the growing confidence in the Railways, the Government's budgetary support has reached unprecedented levels, hitting ₹2.40 lakh crore in FY 2023-24. This record funding has been fully reinvested by the Railways into various projects focused on network expansion, capacity building, safety enhancements, and facility upgrades.

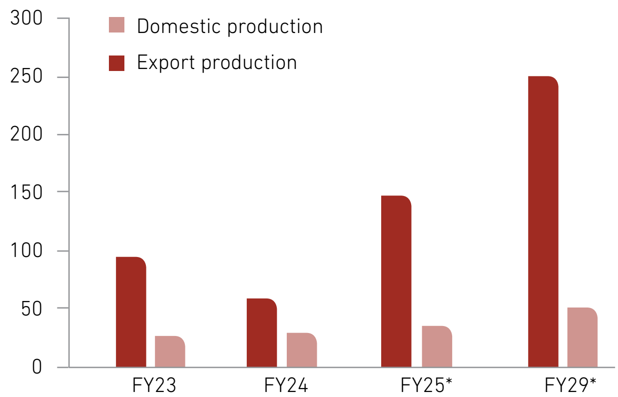
INDIAN DEFENCE & AEROSPACE INDUSTRY

The Indian defence sector has gained in prominence over the last few years and has emerged as one of the fastest-growing military forces worldwide. With the largest unsettled borders with two nuclear powered neighbours, the Indian defence industry has witnessed robust growth over the decade. Today, India has one of the world's largest armed forces with a strength of over 14.4 lakhs (1.44 million) active personnel.

With the government's clear vision for an indigenous defence industry, the country's attractiveness to global defence companies continues to rise owing to shrinking global defence budgets, and there is tremendous potential in engineering services and component sourcing. Holding a strategic place for the government, the Indian defence industry's top three market segments of the Indian defence sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defence systems. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other well-known segments. India's defence sector is witnessing significant growth driven by increasing defence budgets, modernisation efforts, and the government's emphasis on indigenous manufacturing through initiatives like "Make in India."

Ongoing global skirmishes, the government's ambitious defence targets and the focus on indigenisation have all put a spotlight on India's defence industry. Private sector companies in India have significantly contributed to the country's defence production in FY24, accounting for a larger share than in the past eight years. According to data from the Department of Defence Production, private sector companies contributed ₹16,411 crore, or 22%, to the total defence production of ₹74,739 crore in FY24. This marks the highest share of private sector contribution since 2016-17.

India's defence production (in ₹ 000 crore)



(Source: https://upstox.com/news/upstox-originals/investing/opportunities-in-the-indian-defence-industry/article-85013/)
[Expected]*

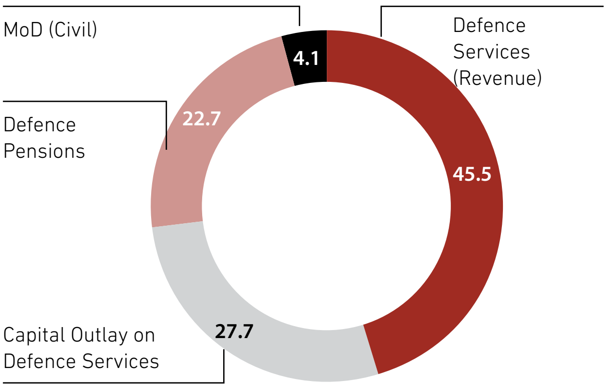
According to industry experts, India's overall defence production (domestic and exports) to grow at a CAGR of approximately 18% from FY23 to FY29. The government's emphasis on indigenization has created significant opportunities for private players. In FY24, private sector contribution to total defence production reached 22%, the highest since FY17. Additionally, private sector contributions to defence exports, approximately ₹21,000 crore, accounted for 60% in FY24. Continuing its trend of import bans, the government announced in May 2023 that 928 defence items will face phased import restrictions between December 2023 and December 2029, with an import substitution value of ₹715 crore.

Key budget allocation for the Interim Budget 2024-25

- In 2024-25, the Ministry of Defence (MoD) was allocated a total budget of US$ 74.8 billion (₹6.21 lakh crore), which is 13.04% of the total budget.
- Of this, US$20.7 billion (₹1.72 lakh crore) was allocated towards capital expenditure, including the purchase of new weapons, aircraft, warships, and other military equipment.
- An outlay of US$ 782.3 million (₹6,500 crore) was announced towards the capital expenditures of the Border Roads Organization (BRO).
- US$ 2.9 billion (₹23,855 crore) was allocated to DRDO.
- A corpus of US$ 12.0 billion (₹1 lakh crore) was earmarked for Deep Tech, offering long-term loans to tech-savvy companies to foster innovation in defence technologies within India.
- Allocated US$ 7.2 million (₹60 crore) for the Technology Development Fund (TDF) scheme, specifically designed to

support new startups, MSMEs, and academia engaged in defence-related innovation aiming to attract young talent interested in niche technology development, fostering collaboration with DRDO.

India's defence production (in ₹ 000 crore)

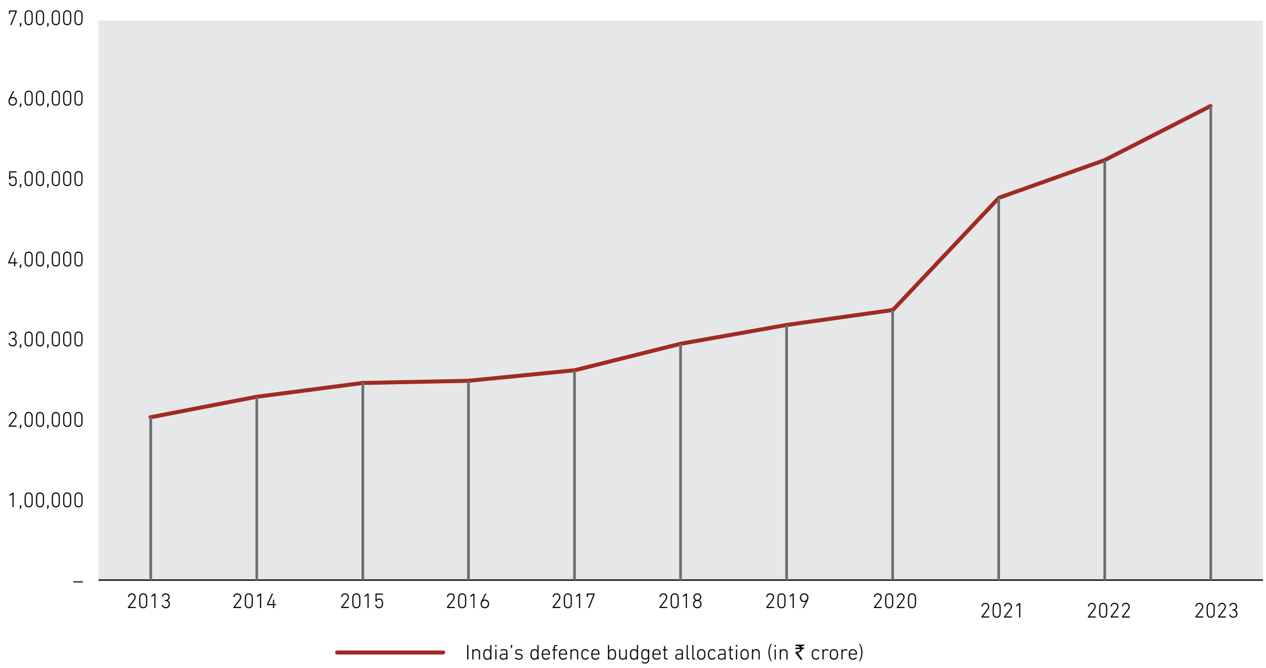


(Source: https://www.ibef.org/download/1714542972_Defence_Manufacturing_March_2024.pdf)

Government's allocation for the defence sector in the Union Budget 2023-24

- The Ministry of Defence (MoD) allocated a total budget of US$ 72.2 billion (₹5,93,537.64 crore), which is 13.18% of the total budget. This includes an amount of US$ 16.8 billion (₹1,38,205 crore) for Defence Pensions. The total Defence Budget represents an enhancement of US$ 8.3 billion (₹68,371.49 crore), nearly 13% over the Budget of 2022-23.
- The capital investment outlay has been increased steeply for the third year in a row by 33% to US$ 121 billion (₹10 lakh crore), which would be 3.3% of GDP. This is almost three times the outlay in 2019-20.
- Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.
- Provided Exempt-Exempt-Exempt (EEE) status to the Agniveer Fund.

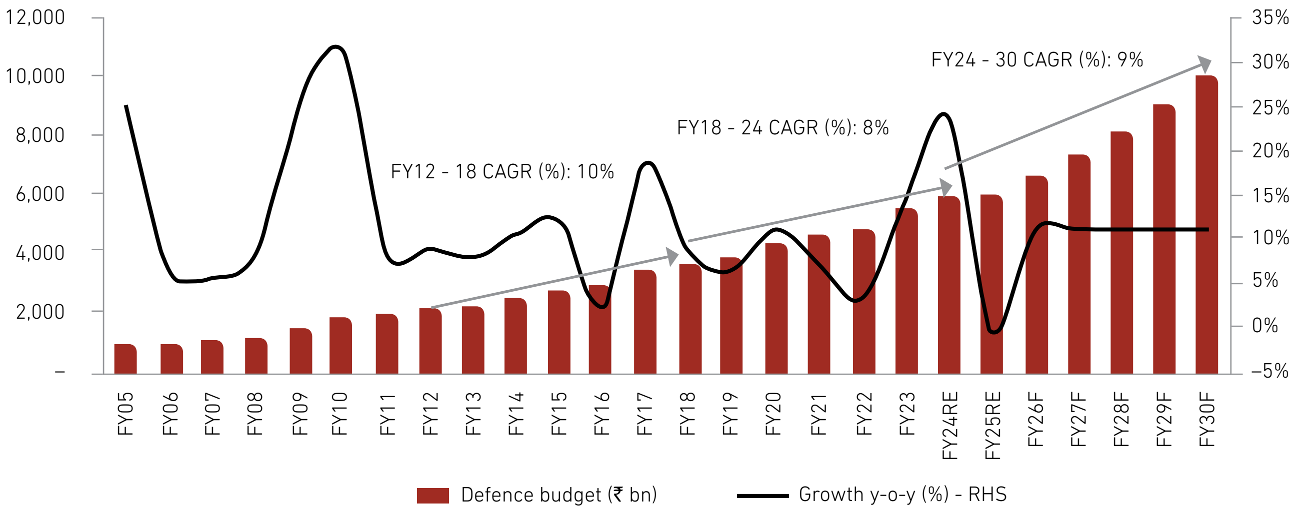
India's defence budget allocation in the last 10 years



(Source: https://www.deccanherald.com/india/infographic-how-much-did-the-government-spend-on-defence-in-the-last-10-years-2846289)

According to the Global Power Index, India's defence sector ranks fourth in firepower, scoring 0.0979 (with 0.0 being perfect). The Indian government aims to achieve a defence production target of US$ 25 billion by 2025, including US$ 5 billion in exports. As one of the world's largest defence spenders, India allocated US$ 74.8 billion (₹ 6.21 lakh crore) to defence, comprising 13.04% of the total budget. This represents a 4.72% increase over the 2023-24 budget and an 18.35% rise compared to the 2022-23 allocation. India emerged as the fourth largest military spender globally in 2023, with a spending of $83.6 billion, 4.2% higher than the investment made in 2022.

Indian defence budget forecast



(Source: https://www.rediff.com/money/report/indias-defence-sector-a-138bn-opportunity-hal-bel-top-buys-nomura/20240517.htm)

Rising contribution of private companies in Indian defence sector

In the fiscal year 2023-24 (FY24), private sector companies in India made a remarkable impact on the country's defence production, contributing a larger share than in the past eight years. Data from the Department of Defence Production reveals that private sector companies contributed ₹16,411 crore, accounting for 22% of the total defence production of ₹74,739 crore in FY24. This represents the highest share of private sector involvement since 2016-17, underscoring their growing role in bolstering India's defence capabilities.

Government's push for local defence production

The government has taken proactive steps to promote domestic defence production. In November 2023, it earmarked ₹1 trillion, equivalent to 75% of the defence acquisition budget, exclusively for local companies. Furthermore, the defence offset policy encourages foreign firms to invest in or procure from domestic companies, thereby bolstering the local industry.

Rising defence export from India

In FY24, India achieved a historic milestone in defence exports, with a record high of ₹21,083 crore, surpassing the previous year's ₹15,920 crore, as reported by the Ministry of Defence (MoD). The cumulative value of defence offset transactions reached $7.9 billion in FY24, nearly tripling from $2.9 billion in 2019-20. However, approximately $310 million in pending claims remain unresolved, possibly due to incomplete information or other factors. The number of export authorizations also witnessed growth, rising from 1,414 in FY23 to 1,507 in FY24.

Comparing data over two decades—specifically, the periods from 2004-05 to 2013-14 and 2014-15 to 2023-24 – the MoD reveals a remarkable 21-fold increase in defence exports. During 2004-05 to 2013-14, total defence exports amounted to ₹4,312 crore, whereas the subsequent period (2014-15 to 2023-24) saw a substantial surge to ₹88,319 crore. This significant growth can largely be attributed to policy reforms, 'Ease of Doing Business' initiatives, and comprehensive digital solutions provided by the Indian government to promote defence exports. It underscores the global acceptance of Indian defence products and technologies.

Growth drivers and opportunities in India's defence manufacturing

Record production value: The defence production value in India has crossed the landmark of ₹1 lakh crore (USD 12 billion) for the first time, reaching ₹1,08,330 crore (USD 13.07 billion) in FY23. This is a significant increase from ₹95,000 crore (USD 11.47 billion) in FY22 and ₹54,951 crore (USD 6.63 billion) five years prior.

Projected investments: The Indian defence sector, one of the world's largest, has a promising pipeline of over USD 223 billion in aerospace and defence capital expenditure over the next ten years. Additionally, there is a projected medium-term investment of USD 130 billion.

Policy initiatives: The Draft Defence Production and Export Promotion Policy (DPEPP) 2020 aims to increase defence turnover from ₹80,000 crore (USD 10 billion) in 2019-20 to approximately ₹1,75,000 crore (USD 21.87 billion) by 2025, including exports worth ₹35,000 crore (USD 4.37 billion). Key programs are moving towards the "Buy Global – Manufacture in India" model, including the procurement of 114 multirole fighter aircraft (MRFA), emphasizing increased domestic production.

Foreign Direct Investment (FDI): The FDI cap in defence manufacturing under the automatic route has been increased from 49% to 74% for new investments requiring an industrial license, allowing foreign firms more ownership and control in establishing manufacturing units.

Defence exports: The defence exports have shown a remarkable increase, reaching ₹21,083 crore in 2023-24. This growth in exports is a strong indicator of India's rising prominence in the global defence market.

These growth drivers and opportunities highlight the rapid expansion and potential of India's defence manufacturing sector. The increase in production value, ambitious policy initiatives, and rising defence exports collectively point towards a robust future for this sector.

COMPANY OVERVIEW

Founded in 1989, Balu Forge Industries Ltd (BFIL) has grown into a trusted leader in the manufacturing and supply of finished and semi-finished forged crankshafts and precision-engineered components. BFIL's expertise lies in producing components that meet the latest emission regulations and standards for energy-efficient vehicles.

BFIL's global reach extends to over 80 countries, serving both domestic and international markets. Our clientele includes leading suppliers and manufacturers across a wide array of industries, such as automotive, aerospace, defense, oil and gas, railways, marine, and beyond.

Over the years, BFIL has built a robust foundation of knowledge and technological expertise, enabling us to stay ahead of the competition and maintain a dominant market position. By continuously integrating the latest technologies, BFIL has not only enhanced its product offerings but also achieved significant efficiency gains, cost savings, and opened up new markets for its products.

Our growth drivers

- Production capacity of precision engineered components to increase to 32,000 tonnes post installation and commercialization of a new facility of 14,000 TPA.
- In house capability to manufacture a large product portfolio ranging from 1 Kg to 1,000 Kgs.
- Our extensive product range serves a diverse array of industries, offering versatile solutions for customers in sectors such as automotive, industrial vehicles, earthmoving machinery, wind energy, aerospace, defence, oil and gas, railways, marine, agriculture, and more.
- BFIL has built a robust export and distribution network that reaches over 80 countries, serving more than 25 OEMs globally.
- BFIL boasts a highly skilled R&D team of 45 dedicated professionals, focused on driving innovation through new product development and the application of advanced alloys and material chemistries in specialized segments.
- State-of-the-art manufacturing facility with strong backward integration capabilities

RESEARCH AND DEVELOPMENT

BFIL's dynamic R&D center of excellence upholds innovation and quality to fuel our business aspirations. We drive innovation, optimize processes, enhance product ingenuity, and boost manufacturing efficiency in line with our values. This strong R&D commitment supports flawless business strategy execution.

Our R&D efforts are dedicated to pushing the boundaries of technological innovation, particularly in heavy forging processes and products, with a clear focus on the aerospace, railway, and defense sectors. By doing so, we aim to elevate product performance, streamline manufacturing efficiency, and ensure that our solutions consistently meet the stringent demands of these essential industries.

Our policy measures to boost our R&D capabilities

- Cultivate a culture that embraces creativity and experimentation, where teams feel empowered to propose and explore cutting-edge solutions and emerging technologies.
- Partner with academic institutions, research organizations, and industry leaders to tap into their expertise and resources, fostering innovation and driving mutual growth.
- Prioritize R&D budgets by aligning them with the strategic goals and potential impact of projects in each sector.
- Implement strong financial controls and transparent reporting systems to monitor R&D spending and ensure budgets are followed effectively.
- Safeguard innovations and competitive advantages by developing and protecting intellectual property through patents and trademarks.
- Track the success of R&D efforts using key performance indicators such as product innovation, process efficiency improvements, and cost savings.
- Regularly review R&D activities to assess performance, identify areas for enhancement, and adjust strategies where necessary.

- Ensure all R&D projects comply with relevant industry regulations and standards, including those specific to aerospace, railways, and defense sectors.
- Uphold rigorous quality standards in product development and testing to meet the high expectations of each sector.
- Foster continuous learning and professional growth for R&D teams, keeping them up to date with the latest technologies and industry trends.
- Encourage a culture of knowledge sharing across teams and departments to maximize expertise and implement best practices across the organization.

IMPORTANCE OF R&D IN THE KEY FOCUS SECTORS: AEROSPACE, RAILWAYS & DEFENCE

Aerospace

Innovation in materials and techniques: Aerospace applications require top-tier materials and cutting-edge forging methods to guarantee safety, reliability, and efficiency. A robust R&D policy fuels innovation in these crucial areas, driving the creation of lightweight, high-strength components that adhere to the rigorous standards of the aerospace industry.

Enhancing performance: Ongoing research plays a crucial role in enhancing the performance of aerospace components. By focusing on reducing weight and boosting durability, this research not only contributes to better fuel efficiency but also significantly improves the overall performance of aircraft.

Railways

Durability and safety: Railway components are subjected to intense stress and wear, so enhancing their strength and reliability is crucial. Our R&D efforts aim to improve the durability of forged parts, making railway infrastructure safer and more resilient.

Operational efficiency: Innovations in forging processes can lead to more efficient manufacturing, reducing costs and improving the operational efficiency of railway systems.

Defence

Meeting rigorous standards: Defence applications demand components that can withstand harsh conditions and deliver exceptional reliability. Through rigorous research and development, we ensure that our forging technologies rise to these challenging standards.

Strategic advantage: By advancing our forging solutions, we not only meet these high expectations but also gain a strategic edge. This commitment to innovation ensures that our defence equipment remains cutting-edge and performs vital functions with utmost efficiency.

For a heavy forging company serving aerospace, railways, and defence industries, a robust R&D strategy is crucial. It fuels technological innovation, enhances product quality, optimizes manufacturing processes, ensures compliance with strict regulations, and supports broader strategic objectives. By fostering collaboration and pushing the boundaries of what's possible, this policy not only keeps the company competitive but also guarantees it meets the ever-evolving demands of these critical sectors. Continued investment in R&D is essential to maintaining leadership, driving growth, and delivering reliable, high-quality solutions across these industries.

Key advantages of having a robust R&D strategy

Process optimization: Research and Development (R&D) can lead to more efficient forging processes, significantly cutting down production time and costs. This is especially crucial in industries where high-volume production and cost control are paramount.

Automation and technology integration: By delving into advanced manufacturing technologies and automation, R&D can refine production processes, boosting both efficiency and scalability.

Regulatory compliance: Every sector has its own set of strict regulatory requirements. An effective R&D strategy ensures that both new and existing products meet these standards, preventing legal and operational setbacks.

Quality Assurance: Ongoing research is key to maintaining and elevating product quality, making sure that forged components consistently meet or exceed industry benchmarks.

Cutting-Edge technologies: In the fiercely competitive aerospace industry, the demand for innovation is relentless. A forward-thinking R&D policy drives the creation of cutting-edge technologies that set the company apart from its rivals.

Sustainable solutions: Research into new materials and methods can lead to more sustainable and cost-effective solutions, offering a significant edge in the railway sector.

Technological superiority: For the defence sector, being at the forefront of technology can make all the difference. R&D that advances forging solutions can solidify the company's reputation as a leading supplier of defence components.

Strategic alignment: An R&D policy ensures that research efforts align with the company's strategic objectives, channeling resources into projects that drive long-term growth and success.

Market expansion: By prioritizing R&D, the company can develop innovative products and technologies that pave the way for entering new markets and sectors.

External partnerships: Collaborations with academic institutions, research organizations, and industry partners can yield valuable insights and spur advancements.

Internal knowledge: A well-structured R&D policy promotes internal knowledge sharing, harnessing expertise and nurturing a culture of innovation.

Consistency in quality: A strong R&D policy helps maintain high-quality standards for forged products, which is essential for meeting the rigorous demands of aerospace, railways, and defence sectors.

Reliability: By investing in R&D, the company enhances product reliability, minimizing the risk of failures and ensuring that components perform reliably in real-world applications.

Operational capability

Our state-of-the-art forging unit is fully integrated, offering a diverse product range that caters to customer needs, from small components weighing just 1 kg to substantial pieces up to 1,000 kg. Our facility is equipped with both closed die forging hammers and presses, including our most powerful 16 Ton Hydraulic Forging Hammer forging hammer. This extensive capability allows us to serve a wide array of industries and applications, including automotive, off-road and on-road vehicles, high-performance sectors, industrial and heavy-duty machinery, oil and gas, marine, defence, railways, and more.

Beyond its existing machining capabilities, the Company is undergoing a significant expansion. We're investing in state-of-the-art forging equipment, including a massive 16-ton hydraulic hammer capable of producing forgings up to a ton in weight. This capacity will be further bolstered by a 10-ton hydraulic hammer and an 8,000-ton mechanical forging press, enabling us to produce a substantial volume of forged components. To ensure efficiency and quality, we're implementing a fully automated system incorporating advanced technologies like anti-vibration systems and robotic handling. This aligns with Industry 4.0 standards, guaranteeing best-in-class manufacturing practices.

Quality focus

Our commitment to quality is unwavering. We've implemented rigorous systems to ensure our products consistently meet the highest standards. ISO certifications and tools like Six Sigma and quality check mechanisms help us identify and eliminate defects, continuously improving our processes.

In the heavy forging industry, especially for aerospace, railways, and defense applications, maintaining top-notch quality is paramount. This ensures that components not only meet but exceed the rigorous performance, safety, and regulatory standards required. Effective quality measurement involves a variety of criteria and tailored methodologies specific to each sector's needs. For instance, testing mechanical properties like tensile strength, hardness, and impact resistance is essential for railway components to endure operational stresses and wear. By integrating robust quality management systems and following standards such as ISO 9001 or AS9100, we ensure consistent quality and reliability. Achieving high-quality standards in heavy forging means a thorough approach: assessing material properties, dimensional accuracy, structural integrity, and regulatory compliance. Advanced techniques—like mechanical and non-destructive testing, alongside precise measurement—are critical to meeting the stringent requirements of these essential industries. Rigorous quality control and adherence to industry standards are key to guaranteeing the safety, reliability, and performance of forged components in demanding applications.

Quality initiatives in heavy forging, particularly for sectors such as aerospace, railways, defence, commercial vehicles, and automotive, have a profound impact on product acceptance, cost management, product quality, and market share. By implementing strong quality control measures and adhering to industry standards, companies can see significant improvements in these areas.

We've earned quality accreditations for our integrated manufacturing systems, showcasing our expertise in process design and automation. Our commitment is to deliver exceptional products through our advanced and cohesive manufacturing operations. This approach enables us to craft tailored solutions that adapt to our customers' evolving needs.

FINANCE REVIEW

Consolidated Financial Performance

Profit & Loss Analysis (₹ in lakhs)

Particulars	FY24	FY23	% Change
Revenue from Operation	55,985.58	32,663.89	**71.40%**
Other Income	1,041.47	1,264.59	
Total Income	**57,027.05**	**33,928.48**	**68.08%**
Total Expenses excl. D&A & Finance Cost	44,073.50	27,686.11	
EBIDTA (Excluding Other Income)	**11,912.08**	**4,977.78**	**139.31%**
Depreciation & Amortization	205.45	132.68	
EBIT	**11,706.63**	**4,845.10**	**141.62%**
Finance cost	1,363.80	1,053.16	
Profit before Tax (PBT)	**10,342.83**	**3,791.94**	**172.76%**
Profit after Tax (PAT)	**9,367.34**	**3,891.29**	**140.73%**
Net PAT(After Other comprehensive (profit)/ loss)	**9,370.06**	**3,900.25**	**140.24%**

Summary of Balance Sheet

Particulars	FY24	FY23
Equity and liabilities		
Equity share capital	10,259.19	8,336.49
Other equity	45,037.14	11,426.51
Non-current liabilities	2,577.18	1,253.14
Assets		
Fixed assets	18,702.57	5,496.71
Non-current assets	3,243.95	1,692.96
Current assets	49,299.54	29,886.03
	71,246.06	**37,075.70**

I. **Total Revenue**: During the FY24, the total revenue of the Company is increased by 68.08% from ₹33,928.48 lakhs to ₹57,027.05 lakhs as compared to the previous FY23. The revenue has increased mainly on account of the expansion in our product range and a rising demand for our key offerings across diverse industries.

II. **Employee benefits expenses**: During the year under review, the Employee benefits expenses increased by 69% from ₹797.78 lakhs to ₹1348.33 lakhs as compared to the previous fiscal on account of additional manpower hired for expanded operations and annual increment.

III. **Finance Cost**: The finance cost increased by 29% from ₹1,053.16 lakhs in FY24 to ₹1,363.8 lakhs as compared to the previous FY23 mainly owing to the increased in bank borrowings.

IV. **Other Expenses**: The operational & other expenses increased/decreased by 21% from ₹4,208.6 lakhs to ₹5,093.65 lakhs as compared to the previous FY23 mainly on account of increase in advertisement, sale and distribution expenses.

V. **Net Profit**: During the year, we recorded our highest-ever profit of ₹9,367.34 lakhs as compared to a net profit of ₹3,891.29 lakhs in the previous FY23 on account of increase in operational margin and various cost reduction measure adopted by the company.

VI. **Non-Current Liabilities**: The non-current liabilities have increased by 106% from ₹1,253.14 lakhs to ₹2,577.18 lakhs as compared to the previous FY23 owing to increase in long term bank borrowing.

VII. **Current Liabilities**: The current liabilities have decreased by 17% from ₹16,059.56 lakhs to ₹13,372.55 lakhs as compared to the previous FY23 owing decrease in utilization of working capital facility.

VIII. **Non-Current Assets**: The non-current assets have increased by 205% from ₹7,189.67 lakhs to ₹21,946.52 lakhs as compared to the previous FY23 mainly on account of capital expenditure to support company aggressive expansion plans and capital advances.

IX. **Current Assets**: The current assets have increased by 65% from ₹29,886.03 lakhs to ₹49,299.54 lakhs as compared to the previous FY23 on account of increased in cash & bank balance realized from fresh issue of shares and advances to suppliers.

Details of Key Financial Ratios:

In compliance with the requirement of the listing regulations, the key financial ratios were examined as compared to the immediately previous financial year have been provided hereunder along with the explanation for the changes, if any.

Key Financial Ratios	FY 2023-24	FY 2022-23	Reason for Significant Change, if any
Inventory Turnover Ratio (days)	40	43	Inventory days decreased on account of the decrease in inventory.
Interest Coverage Ratio (times)	7.26	7.45	Reduce due to an increase in borrowing.
Current Ratio (times)	3.69	1.86	Current ratio improved due to better working capital management and inflow of funds due to fresh issue of equity shares.
Debt-Equity Ratio (times)	0.09	0.26	Ratio improved due to increase in equity.
Net Profit Margin	16.73%	11.91%	Ratio improved operational margins and various cost reduction initiatives undertaken by the company.
Return on Net Worth (RoNW)	17%	20%	Ratio decreased due to issue of new equity shares

RISK MANAGEMENT

The Company remains committed to navigating the growing risk landscape with enhanced resilience and proactive measures. Major risks across various business segments and functions are systematically addressed through ongoing mitigation strategies. Risk assessment and management are conducted at multiple levels, using both top-down and bottom-up approaches. This comprehensive strategy covers the entire enterprise, including business units, functions, market share, and projects, ensuring a thorough and proactive approach to risk management.

The risks identified by the Company inter-alia include:

- Economic risks from fluctuations in international crude oil and product markets
- Financial risks such as foreign exchange rate fluctuations and exposure to borrowings
- Competition risks from both existing businesses and established international players
- Operational risks like pilferage, labor unrest, and unplanned facility shutdowns
- Security and fraud risks, including cybersecurity threats, data leaks, and physical security issues
- Reputational risks impacting brand value
- Environmental risks due to the impact of our business activities on the environment and rising compliance costs from emerging regulations
- Compliance risks from tax disputes and litigation
- Risks from changes in government policies that could affect profitability and business operations

Additionally, with increasing scrutiny on Environmental, Social, and Governance (ESG) factors in India, the company has broadened its risk assessment to include environmental impacts and has implemented measures to mitigate these risks.

HUMAN RESOURCE

BFIL thrives on its people. Our success hinges on their satisfaction and development. We foster a supportive environment where diversity is valued and individual growth is encouraged. Our commitment to attracting, retaining, and nurturing top talent has fueled our expansion. Through collaborative teamwork, training, and open communication, we empower our employees to excel. These efforts have contributed to our strong workforce of over 700 employees as of March 31, 2024.

HEALTH AND SAFETY MEASURES

Our top priority is the well-being and safety of our employees. We believe a healthy, secure workplace is essential for both personal and company success. To ensure this, we've implemented comprehensive safety policies, regular training, and proactive risk management. We're committed to creating a culture where safety is paramount, promoting employee well-being and overall company performance.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a robust internal control system tailored to its specific needs. The Board of Directors oversees its effectiveness to ensure accurate financial reporting, compliance, and asset protection. Our internal controls are aligned with relevant regulations and are regularly evaluated by our Internal Audit function. This independent unit, reporting directly to the Audit Committee, identifies potential risks and ensures our operations adhere to established policies and procedures.

CAUTIONARY STATEMENT

The MDA section contains forward-looking statements concerning the Company's future prospects. These statements entail various known and unknown risks and uncertainties that could significantly impact actual results. Additionally, the Company faces unforeseen and ever-evolving risks in its operating environment. The report's assumptions rely on both internal and external information, forming the basis for specific facts and figures. However, it is crucial to acknowledge that these assumptions may change over time, leading to corresponding adjustments in the estimates. These forward-looking statements represent the Company's current intentions, beliefs, or expectations and are applicable as of their original date. Please note that the Company is under no obligation to revise or update these forward-looking statements, regardless of any new information, future events, or changing circumstances.

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the 35th Annual Report of Balu Forge Industries Limited ("the Company") together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024.

1. FINANCIAL RESULTS

The Company's financial performance during the year ended 31st March, 2024 compared to the previous financial year is summarised below:

₹ in crore

Description	Standalone		Consolidated	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	388.08	269.06	559.86	326.64
Other Income	10.63	12.81	10.41	12.65
Total Revenue	**398.71**	**281.87**	**570.27**	**339.29**
Total Expenses	311.39	238.22	456.43	288.72
(Loss) / Profit before tax and exceptional items	87.32	43.65	113.84	50.57
Profit before tax	87.32	43.65	113.84	50.57
Tax expense	20.17	11.66	20.17	11.66
Net Profit after tax	67.15	31.99	93.67	38.91
Other Comprehensive expense/ (Income), net of Income tax	0.01	0.09	0.03	0.09
Balance Transfer to Reserve	67.16	32.08	93.70	39.00

The Financial Statements for the year ended 31, March 2024 have been prepaid as per the Indian Accounting Standards (Ind AS)

2. REVIEW OF OPERATIONS

During the financial year ended 31st March, 2024, the Company has recorded, on standalone basis, total revenue of ₹398.71 crores and the Company have earned Net Profit of ₹67.16 crores as compared to previous year Net Profit of ₹32.08 crores.

On consolidated basis, the Company achieved total revenue of ₹570.27 crores and the Company has earned Net Profit of ₹93.70 crores as compared to previous year Net Profit of ₹39.00 crores.

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

3. OPERATIONAL HIGHLIGHTS:

Balu Forge Industries Ltd (BFIL) achieved significant operational milestones in FY24, reflecting its strategic focus on diversification and capacity expansion. The company reported a remarkable 44.24% increase in revenue, reaching ₹38,808.26 lakhs, driven by sustained demand for specialized engineering products across new and existing sectors such as railways, defence, oil and gas and heavy commercial vehicles. This growth was further supported by BFIL's successful addition of three new global OEMs to its client portfolio, despite rigorous audits and inspections.

FUTURE OUTLOOK

- Looking ahead, BFIL's ongoing development of the Mercedes Benz unit, expected to be fully operational by Q2 FY25, will further increase the company's production capacity from 18,000 TPA to 32,000 TPA. This capacity expansion is anticipated to drive additional revenue growth and enhance profit margins as the company continues to diversify its product offerings and market presence. Moreover, the company is strategically positioned to capitalize on opportunities in key growth industries across North America, Europe, Asia, and the Middle East, further strengthening its foothold in the global market.
- One of the most significant developments for BFIL in FY24 was the acquisition of three new state-of-the-art forging lines. These lines, a combination of hammers and presses, are capable of producing 72,000 tonnes per annum of heavy forged products. The new equipment, including a 16-ton closed-die forging hammer is capable of producing forgings up to 800-900 kgs, a 10-ton closed-die forging hammer, and an 8,000-ton capacity mechanical press, will be integrated into the company's upcoming greenfield manufacturing campus in Belagavi, Karnataka. The integration of the forging lines with the recently acquired precision

machining unit from Mercedes Benz will allow BFIL to expand its product engineering capabilities and increase its offerings of precision products to global majors in critical engineering and safety components.

- This strategic acquisition not only enhances BFIL's manufacturing capabilities but also strengthens its position as a comprehensive, one-stop solution provider for advanced machining solutions in critical industries such as mining, aerospace, and aluminium. This expansion enables BFIL to produce a wider range of products, including those made from different alloys, from aluminium to titanium, enhancing its research and development capabilities in alloy mixing and metal combinations. This setup will be fully automated with the latest technology, including an anti-vibration system and robotic handling compliant with Industry 4.0 standards.

4. CREDIT RATING:

Your Company has been rated by Crisil Ratings Limited vide its letter dated 28th June, 2024 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 2023-24 as per the criteria under SEBI Circular No. SEBI/ HO/DDHS/CIR/P/2018/144 dated 26th November, 2018.

5. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire profit generated during the year under review, in the profit and loss reserve account. Accordingly, the Company has not transferred any amount to the 'Reserves' for the year ended 31st March, 2024.

6. 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 31st March, 2024 is available on the Company's website at https://www.baluindustries.com.

7. DIVIDEND

The Board of Directors at their meeting held on July 30, 2024, has recommended payment of ₹ 0.15/- at the rate of 1.5% per fully paid up equity share of the face value of ₹10/- each as final dividend for the financial year ended March 31, 2024.

The payment of the final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. The recommended final dividend shall be paid to those shareholders whose name appear in the Register of Members as on the Record Date, on approval by the members at the Annual General Meeting.

In view of the provisions of the Income Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source. The dividend pay-out has been determined in accordance with the Dividend Distribution Policy of the Company.

8. UTILISATION OF PREFERENTIAL ALLOTMENT PROCEEDS

The proceeds of funds raised under preferential allotments of the Company have been fully utilised 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") and detailed utilization are provided in the Corporate Governance Report which forms part of this Report.

9. CHANGES IN SHARE CAPITAL :

Increase in Authorised Share Capital of the Company

The Authorised Share Capital of the Company has increased from ₹90,00,00,000/- (Rupees Ninety Crore Only) divided into 9,00,00,000/- (Nine Crore) Equity Shares of ₹10/- (Rupees Ten only) each to ₹1,10,00,00,000/- (Rupees One Hundred and Ten Crore Only) divided into 11,00,00,000/- (Eleven Crore) Equity Shares of ₹10/- (Rupees Ten only).

Issue and Allotment of Equity Shares & Warrants on Preferential Basis

During the financial year 2023-24, the Company has issued and allotted:

i. 1,37,27,000 Equity Shares to the Non-Promoters (Public Category) on preferential basis of ₹10/- each for cash at premium of ₹105.45/- aggregating to ₹1,58,47,82,150/-.

ii. 30,00,014 Convertible Warrants to persons forming part of promoter group on preferential basis of ₹10/- each for cash at premium of ₹105.45/- aggregating to ₹34,63,51,616.30/-, with an option to convert the same into equal number of equity shares of ₹10/- (Rupees Ten) each at an issue price of ₹115.40/- per share within a period of 18 months from the date of allotment of warrants, as per terms and conditions approved in Extra-Ordinary General Meeting held on 14th July, 2023.

Further, the Company has allotted 30,00,014 Equity Shares having face value of ₹10/- each at an issue price of ₹115.45/- fully paid up upon exercising the option available with the Share Warrant Holder (person belonging to the Promoter group) to convert 30,00,014 (Thirty Lakhs and Fourteen) Convertible Warrants.

Further, the Company has issued and allotted:

i. 25,00,000 Equity Shares to the Non-Promoters (Public Category) on preferential basis of ₹10/- each for cash at premium of ₹173.60/- aggregating to ₹45,90,00,000/-, approved by shareholders in Annual General Meeting held on 27th September 2023.

ii. 50,00,000 Convertible Warrants on preferential basis to persons forming part of promoter group, with an option to convert the same into equal number of equity shares of ₹10/- (Rupees Ten) each at an issue price of ₹183.60/- per share within a period of 18 months from the date of allotment of warrants, as per terms and conditions approved in Annual General Meeting held on 27th September 2023.

Share capital as on 31st March, 2024

The paid-up Equity Share Capital as on 31st March, 2024 was ₹1,02,59,19,000/- divided into 10,25,91,900 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. MAINTENANCE OF COST RECORDS

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 2023-2024.

Further, since the appointment of Cost Auditor is applicable on the Company for the Financial Year 2023-24, the Board of Directors on the recommendation of the Audit Committee, has appointed M/s. R. K. Bhandari & Co, Cost Accountants, having Firm Registration No.: 101435, as Cost Auditors to audit the cost records of the Company for the financial year 2024-25. As required under the Act, a resolution seeking shareholder's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 35th AGM.

11. 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 for the financial year 2023-24.

12. 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.

13. 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 2023-24 does not contain any qualification, reservation, disclaimer or adverse remarks.

14. 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. 10 and 18 of

Standalone financial statements.

15. 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 31st March, 2024; the Board of Directors hereby confirms that:

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

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2024 and of the profit of the Company for the year under review.

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,

d) the Directors had prepared the accounts for the financial year ended 31st March, 2024 on a going concern basis.

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

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

16. 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: -

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).

Now the Company has decided to independently conduct all anticipated operations, either through its own operations or via subsidiary companies.

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/finanial-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

17. 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 March 2024, there were no deposits lying unpaid or unclaimed.

18. 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. The details of the directors are given in the Corporate Governance Report forming part of the Annual Report.

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

a) Mr. Amit Todkari was appointed as Chief Financial Officer of the company w.e.f 10 May 2023.

b) Ms. Tabassum Begum was appointed as Company Secretary and Compliance Officer of the company w.e.f 10 June 2023.

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. Jaspalsingh Chandock, (DIN: 00813218), Chairman and Managing Director, being longest in the office retire by rotation and being eligible, offers himself for reappointment.

(iii) **Re-appointment of Mr. Jaspalsingh Chandock**

Mr. Jaspalsingh Chandock (DIN: 00813218) was re-appointed as a Whole-time Director of the Company for a term of 5 (Five) years commencing from 19th November, 2023 as approved by the members of the Company at 34th Annual General Meeting held on 27th September, 2023.

(iv) **Re-appointment of Mr. Trimaan Chandock**

Mr. Trimaan Chandock (DIN: 02853445) was re-appointed as a Whole-time Director of the Company for a term of 5 (Five) years commencing from 19th November, 2023 as approved by the members of the Company at 34th Annual General Meeting held on 27th September, 2023.

(v) **Re-appointment of Mr. Jaikaran Chandock**

Mr. Jaikaran Chandock (DIN: 06965738) was re-appointed as a Whole-time Director of the Company for a term of 5 (Five) years commencing from 19th November, 2023 as approved by the members of the Company at 34th Annual General Meeting held on 27th September, 2023.

MEETINGS OF BOARD & COMMITTEES

- **Meetings of Board of Directors**

The Board of Directors duly met 09 (Nine) times during the financial year ended 31st March, 2024 as under:

27 April 2023, 09 May 2023, 21 June, 2023, 11 August 2023, 04 September 2023, 31 October, 2023, 14 November 2023, 03 February 2024 and 14 February, 2024.

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.

- **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 2023-24, the Audit Committee of the Company met 7 times on 09 May 2023, 11 August 2023, 04 September, 2023, 31 October, 2023, 14 November 2023, 03 February, 2024 and 14 February 2024. 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

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 03 (three) times on 09 May, 2023, 04 September, 2023 and 03 February, 2024.

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

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 twice on 09 May 2023 and 11 August 2023.

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

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 twice on 31 July 2023 and 18 January 2024.

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 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. 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 detailed 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.baluindustries.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 twice i.e. on 11th August, 2023 and 14th November, 2023.

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

19. 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.

20. 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.

21. 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 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.

22. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization program aims to provide Independent Directors with the industry scenario, the socioeconomic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization program also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

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

23. 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.

In terms of requirements of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on Saturday, February 03, 2024 to review:

- The performance of non-independent directors and the Board as a whole and its Committees thereof;
- The performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- To assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

24. 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

25. 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. 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 2023-24, 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.

26. CORPORATE SOCIAL RESPONSIBILITY

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company's CSR Policy provides guidelines to conduct CSR activities of the Company. 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.

27. CORPORATE GOVERNANCE

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 Mohammed Aabid Partner of M/s. Aabid & 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.

28. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms a part of this Annual Report describing the initiatives undertaken by the Company from an environmental, social and governance perspective during the year under review.

29. MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is provided as a separate section in the Annual Report.

30. 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 31st AGM until the conclusion of the 36th Annual General Meeting.

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 2023- 24 does not contain any qualification, reservation, disclaimer or adverse remarks.

c) **Cost Auditor**

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. R. K. Bhandari & Co, Cost Accountants, having Firm Registration No.: 101435, as Cost Auditors to audit the cost records of the Company for the financial year 2024-25. As required under the Act, a resolution seeking shareholder's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the 35th AGM.

d) **Secretarial Auditor**

Secretarial Audit Report, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, was obtained from Mr. Mohammed Aabid, Partner of M/s. Aabid & Co., Practicing Company Secretaries in form MR-3 for the financial year 2023-24. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

The said report is disclosed under **"Annexure-D"** and forms part of this report.

The Board at its meeting held on May 14, 2024 has appointed M/s. Singhvi & Associates, as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2024-2025.

31. 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.

32. 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"**.

33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the Directors and employee 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.baluindustries.com/corporate-governance.php

34. 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.

35. 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.

36. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 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.

37. GREEN INITIATIVE

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. Accordingly, Electronic copy of the Annual report and the Notice of the Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s).

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.

38. 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.

39. 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.

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

Registered Office:
506, 5th Floor, Imperial Palace, 45 Telly Park
Road, Andheri (East), Mumbai - 400069
Date: 06th September 2024
Place: Mumbai

Sd/-
Mr. Jaspalsingh Chandok
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 [PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014]

1.	Sl. No.	1	2	3
2.	Name of the subsidiary	**Naya Energy Works Private Limited**	**Balu Advanced Technologies & Systems Private Limited**	**Safa Otomotiv FZ-LLC**
3.	Date since when subsidiary was acquired/ incorporated	07-07-2021	15-07-2021	17-01-2021
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	01.01.2023 to 31.12.2023 (Calender Year)
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	**Reporting Currency:** - AED **Exchange Rate: -** 22.6893
6.	Share capital	1,00,000	1,00,000	30,33,240.00
7.	Reserves & surplus	(1,88,494)	(1,84,387)	32,86,92,979.47
8.	Total assets	45,106	48,413	86,46,49,782.42
9.	Total Liabilities	45,106	48,413	86,46,49,782.42
10.	Investments	0	0	0
11.	Turnover	0	0	1,71,95,67,431.75
12.	Profit before taxation	(55,000)	(55,000)	26,53,43,695.65
13.	Provision for taxation	0	0	0
14.	Profit after taxation	(55,000)	(55,000)	26,53,43,695.65
15.	Proposed Dividend	0	0	0
16.	% of shareholding	100	100	100

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

1. **Names of subsidiaries which are yet to commence operations**
   Naya Energy Works Private Limited
   Balu Advanced Technologies & Systems Private Limited
   Kelmarsh Technologies FZ-LLC - The Company is yet to make Capital contribution in the said subsidiary. Now the Company has decided to independently conduct all anticipated operations, either through its own operations or via subsidiary companies.

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 31st March, 2024

   The Names of 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 Balu Forge Industries Limited

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

Mr. Trimaan Chandock
Sd/-
Whole Time Director
DIN: 02853445

Mr. Jaikaran Chandock
Sd/-
Whole Time Director
DIN: 06965738

Ms. Tabassum Begum
Sd/-
Company Secretary

Date:- 06th September 2024
Place: Mumbai

Mr. Amit Todkari
Sd/-
Chief Financial Officer

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	Nature of Directorship	Designation	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	Chairperson	2	2
2	Mr. Trimaan Chandock	Whole Time Director	Member	2	2
3	Mr. Jaikaran Chandock	Whole Time Director	Member	2	2

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	https://www.baluindustries.com/corporate-governance.php
2	CSR Policy	https://www.baluindustries.com/assets/pdf/corporate-governance/policies/csr-policy.pdf
3	CSR Projects	https://www.baluindustries.com/corporate-governance.php

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (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. (a) Average net profit of the company as per sub-section (5) of section 135 – **₹3102.19 Lacs**
   (b) Two present of average net profit of the company as per sub-section (5) of section 135 – **₹62.04 Lacs**
   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years – **Nil**
   (d) Amount required to be set-off for the financial year, if any: **₹0.03 Lacs**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]- **₹62.01 Lacs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)- **₹75.00 Lacs**. Hence, there was no unspent amount for the year.
   i. Ongoing projects – Nil (Refer Annexure – "C1")
   ii. Other than Ongoing Projects (Refer Annexure – "C1")

   (b) Amount spent in Administrative Overheads :- **Nil**
   (c) Amount spent on Impact Assessment, if applicable :- **Nil**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] :- **₹75.00 Lacs**
   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year(in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
75,00,000	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any:

Sl. No	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	62.04.00
(ii)	Total amount spent for the Financial Year	75.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12.96
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	12.96

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

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

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

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

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

Sd/-
Mr. Raghvendra Raj Mehta
(Chairman, CSR Committee)
DIN: 01947378

Date : 06th September 2024
Place: Mumbai

Annexure – "C1"

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

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

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

(1)	(2)	(3)	(4) Local area (Yes/ No)		(5)	(6)	(7) Mode of implementation - Through implementing agency	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	State	District	Amount spent for the project (₹ in Lakhs)	Mode of implementation – Direct (Yes/No)	Name	CSR registration number
1.	Adopt a Cancer Patient	(i)	Maharashtra	Mumbai	25.00	No	Cancer Patients Aid Association (CPAA)	CSR00000926
2.	Supporting the training of high school educators to empower them to run robust career and college counselling departments	(ii)	Tamil Nadu, Punjab, Kerala, Haryana, Uttar Pradesh, etc	Chennai, Firozpur, Kottayam, Faridabad, Hapur, etc	25.00	No	Lend a Hand India (IC3 Institute)	CSR00004918
3.	Nanhi Kali	(ii)	Punjab	Moga	25.00	No	K C MAHINDRA EDUCATION TRUST	CSR00000511
Total					75.00			

Annexure 'C' to Directors' Report

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

1. The ratio of the remuneration (paid / payable) of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and % increase in remuneration of each Director / KMP of the Company for FY 2023-24 are as under:

(₹ Lakhs)

Sr. No.	Name of Director	Designation	%Increase in remuneration over previous year	Ratio of Remuneration to Median Remuneration of all Employees
		Executive Directors		
1	Jaspalsingh Chandock	Chairman and Managing Director	-	28.50
2	Trimaan Chandock	Whole-Time Director	-	7.12
3.	Jaikaran Chandock	Whole-Time Director	-	7.12
		KMP		
4.	Tabassum Begum	Company Secretary	25	2.71
5.	Amit Todkari	Chief Financial officer	133	5.59

2. The Median remuneration of the Company for all its employees is ₹2,52,650.10 for the F.Y. 2023-24.

3. Percentage increase in the median remuneration of employees in the financial year 2023-24 is 9.93%.

4. The number of permanent employees on the rolls of the Company as on 31st March 2024 was 120 (One Hundred Twenty).

5. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was 9.93% whereas the percentile increase in the managerial remuneration for the same financial year was NIL%.

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

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

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

Place: Mumbai
Date 06th September 2024

By the Order of the Board
For Balu Forge Industries Limited

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

Annexure 'D' to Directors' Report

SECRETARIAL AUDIT REPORT

FORM No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

[Pursuant to regulation 24A of SEBI (LODR) 2015 and section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
BALU FORGE INDUSTRIES LIMITED
506, 5th Floor, Imperial Palace,
45 Telly Park Road, Andheri (East),
Mumbai- 400069, Maharashtra, India

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

Based on our verification of the Company books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March 2024, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder 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 ('FEMA') 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; Complied with yearly and event-based disclosures wherever applicable;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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 an 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, 1998; Not applicable to the Company during the period under review; and

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards-1 and 2 issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 for the Board Meetings and General Meetings.

During the financial year under review, the Company has generally complied with the provisions of the Secretarial Standards and has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director in compliance with the provisions of the Companies Act, 2013.

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

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

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

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

1. The Board of Directors at its meeting held on 09th May, 2023, took note of resignation of Mr. Akash Joshi as a Company Secretary & Compliance Officer of the company with effect from 15th May, 2023. Further the Board had appointed Mr. Amit Todkari as Chief Financial Officer and Ms. Tabassum Begum as Company Secretary & Compliance Officer of the Company with effect from 10th May, 2023 and 10th June, 2023 respectively.

2. The Company has obtained the Shareholders' approval by passing the following resolutions at the 01/2023-24 Extra Ordinary General Meeting (EOGM) held on 14th July, 2023:

   i. Increase of Authorised Share Capital of the Company from ₹90,00,00,000/- (Rupees Ninety Crores only) to ₹1,10,00,00,000/- (Rupees One Hundred and Ten Crores only).
   ii. Alteration of object clause of Memorandum of Association of the Company.
   iii. Alteration to the Articles of Association of the Company.
   iv. Issue and allotment of 1,37,27,000 Equity Shares of ₹10/- each at a price of ₹115.45/- to Non-Promoter Public Category on Preferential basis.
   v. Issue and allotment of 30,00,014 Convertible Warrants of ₹10/- each at a price of ₹115.45/- to persons belonging to the Promoter Group on Preferential basis.

3. The Board of Directors at its meeting held on 04th September, 2023, approved allotment of 30,00,014 Equity Shares of ₹10/- upon conversion of Convertible Warrants into Equity Shares.

4. The Company has obtained the Shareholders' approval by passing the following resolutions at the 34th Annual General Meeting (AGM) held on 27th September, 2023:

   i. Reappointment of Mr. Jaspalsingh Chandock as Chairman and Managing Director, Mr. Trimaan Chandock and Mr. Jaikaran Chandock as Whole-Time Directors of the Company for a period of 5 years with effect from 19th November, 2023.

   ii. Issue and allotment of 25,00,000 Equity Shares of ₹10/- each at a price of ₹183.60/- to Non-Promoter Public Category on Preferential basis.

   iii. Issue and allotment of 50,00,000 Convertible Warrants of ₹10/- each at a price of ₹183.60/- to persons belonging to the Promoter Group on Preferential basis.

For **Aabid & Co**
Company Secretaries

Sd/-
Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579F001018865
PR No.: P2007MH076700

Place: Mumbai
Date: 22.08.2024

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

ANNEXURE

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

Our report of even date 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 express an opinion on these secretarial records based on 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 Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.

4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aabid & Co**
Company Secretaries

Sd/-
Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
UDIN: F006579F001018865
PR No.: P2007MH076700

Place: Mumbai
Date: 22.08.2024

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 (₹ Lakhs)
  i. Capital: Nil
  ii. Recurring: 114.76
  iii. Total: 114.76
  iv. Total R&D expenditure as a percentage of total turnover is – 0.31 percent.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ Lakhs)

Particulars	FY 2023-24	FY 2022-23
Foreign exchange earned	23,629.45	22,155.67
Foreign exchange used	11,588.87	633.35

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, 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 31st March 2024, 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 2 (Two) KMP's viz. Chief Financial Officer and 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 31st March, 2024 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	
			*Directorships	#Chairmanship	#Membership	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

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	
			*Directorships	#Chairmanship	#Membership	Name of the Company	Category of Directorship
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	5	0	7	Bajaj Hindusthan Sugar Limited	Non-Executive – Independent Director

Note:

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

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

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

- Has held or holds office as a director, including any alternate directorship, in more than twenty companies at the same time and maximum number of directorships in public companies does not exceed ten as per the provision of Section 165 of Company Act, 2013.
- Has held or holds office of directorships, including any alternate directorships in more than eight listed entities as per the provision of 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Has not serve as an independent director in more than seven listed entities and whole-time director has not 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 31st March, 2024

Name of Directors	Category	No. of Equity Shares	% Share-holding	No. of Convertible Warrants
Mr. Jaspalsingh Chandock	Chairman & Managing Director	5,44,40,010	53.06	Nil
Mr. Trimaan Chandock	Whole Time Director	15,43,032	1.50	2,50,000
Mr. Jaikaran Chandock	Whole Time Director	15,43,032	1.50	2,50,000
Mr. Raghvendra Raj Mehta	Independent Director	Nil	Nil	Nil
Mr. Radhey Shyam Soni	Independent Director	Nil	Nil	Nil
Ms. Shalu Laxmanraj Bhandari	Independent Director	Nil	Nil	Nil

Board Meetings

The Board of Directors duly met 9 (Nine) times during the financial year ended 31st March, 2024 and the gap between two meetings did not exceed 120 days.

The dates of the meetings were as follows:

27th April, 2023, 09th May, 2023, 21st June, 2023, 11th August, 2023, 04th September, 2023, 31st October, 2023, 14th November, 2023, 03rd February, 2024 and 14th February, 2024.

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

Name of Directors	Particulars of attendance for the Board Meetings		Attendance for last AGM held on 27th September, 2023
	Meetings held during the Director's tenure	Board Meetings Attended	
Mr. Jaspalsingh Chandock	09	08	Present
Mr. Trimaan Chandock	09	08	Present
Mr. Jaikaran Chandock	09	08	Present
Mr. Raghvendra Raj Mehta	09	09	Present
Mr. Radhey Shyam Soni	09	08	Present
Ms. Shalu Laxmanraj Bhandari	09	09	Present

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 Saturday, 03rd February, 2024. 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.

Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management

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

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. Radhey Shyam Soni	Accounting, Finance and Banking, Forex & Risk Management Sustainability
Ms. Shalu Laxmanraj Bhandari	Legal, Corporate Governance Relationship

Senior Management Personnel Particulars of Senior Management Personnel of the Company as on 31st March, 2024 including the changes therein since the close of the previous financial year:

During the year under review, there has been no change in the particulars of Senior Management Personnel of the Company.

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 (Five) Statutory Committees as on 31st March, 2024 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.

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

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

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

Terms of Reference of the Audit Committee are as follows:

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

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

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

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

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

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

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

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

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

   vi. Disclosure of any related party transactions; and

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

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

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

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

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

i) Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

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

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

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

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

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

w) Review of:

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

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

iii) internal audit reports relating to internal control weaknesses;

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

v) statement of deviations including:

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

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

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

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

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

Audit Committee Meetings

During Financial Year 2023-24, Seven (7) Audit Committee meetings were held. The meetings were held on 09th May, 2023, 11th August 2023, 4th September, 2023 31st October, 2023, 14th November, 2023, 03rd February, 2024 and 14th February, 2024. The gap was not more than one hundred and twenty days between two Audit Committee meetings.

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

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

Name of the Members	Desig-nation in the Com-mittee	Particulars of Attendance	
		No. of held meetings during the Member's tenure	No. of meetings attended by the Member
Mr. Raghvendra Raj Mehta	Chairman	07	07
Mr. Radheshyam Soni	Member	07	06
Ms. Shalu Bhandari	Member	07	07
Mr. Trimaan Chandock	Member	07	06

* Ms. Tabassum Begum, Company Secretary of the Company

appointed as Company Secretary w.e.f. 10th June, 2023.

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

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

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

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

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

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

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

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

Nomination and Remuneration Committee Meetings

During the financial year under review, 3 (Three) meetings of the Nomination and Remuneration Committee were held. The meetings were held on 09th May, 2023, 04th September, 2023 and 03rd February, 2024.

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

Name of the Members	Designation in the Committee	Particulars of Attendance	
		No. of held meetings during the Member's tenure	No. of meetings attended by the Member
Mr. Radheshyam Soni	Chairman	03	03
Mr. Raghvendra Raj Mehta	Member	03	03
Ms. Shalu Bhandari	Member	03	03

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.

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

5. REMUNERATION OF DIRECTORS

a) Criteria of making payments to Non-Executive Directors

Sitting Fees

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

The details of sitting fees for the financial year 2023-24 are as under:

Names of Non-Executive Directors	Sitting Fees (in ₹)
Mr. Radheshyam Soni	3,00,000
Mr. Raghvendra Raj Mehta	3,20,000
Ms. Shalu Bhandari	3,00,000

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

b) Managing Director & Whole-time Director

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

Details of the remuneration paid to the Executive Directors of the Company during the financial year 2023-24 are as follows:

(Amount in ₹)

Name	Designation	Basic Salary	Company's contribution to provident fund	Perquisites	Variable	Gross Remuneration
Mr. Jaspalsingh Chandock	Managing Director	72,00,000	-	-	-	72,00,000
Mr. Trimaan Chandock	Whole-time Director	18,00,000	-	-	-	18,00,000
Mr. Jaikaran Chandock	Whole-time Director	18,00,000	-	-	-	18,00,000

Service Contract

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

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

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the 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 *Ms. Tabassum Begum, Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6 of the Listing Regulations.

* Ms. Tabassum Begum, Company Secretary of the Company appointed as Company Secretary w.e.f. 10th June, 2023.

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

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

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

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

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

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

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

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

Stakeholders Relationship Committee Meetings

During the year ended 31st March, 2024, two meetings of Stakeholders Relationship Committee were held i.e. on 09th May, 2023 and 11th August, 2023. The Company Secretary of the Company acts as Secretary to the Committee. The composition and attendance of each Member is as follows:

Names of the Members	Designation in the Committee	Particulars of Attendance	
		No. of held meetings during the Member's tenure	No. of meetings attended by the Member
Mr. Raghvendra Raj Mehta	Chairman	02	02
Mr. Radheshyam Soni	Member	02	02
Ms. Shalu Bhandari	Member	02	02

Investor Complaints

The details of investor complaints received / redressed during the financial year 2023-24 is as under:

Complaints as on 01.04.2023	Received during the year	Resolved during the year	Complaints not solved to the satisfaction of shareholders during the year.	Pending as on 31.03.2024
0	2	2	0	0

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

Terms of reference of the CSR Committee are as follows:

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

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

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

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

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

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

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

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

Corporate Social Responsibility Committee Meetings

The Corporate Social Responsibility Committee met twice during the year ended 31st March, 2024 i.e. on 11th August, 2023 and 14th November, 2023.

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

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:

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

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

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

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

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

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

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

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

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

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

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 31st July, 2023 and 18th January, 2024. The composition and attendance of each Committee Member is as under:

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

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

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
2022-23	Friday, 27th September, 2023 at 11:30 A.M.	Through Video Conferencing (VIA Zoom Meeting)	• Issue of Convertible Warrants on Preferential Basis to the persons forming part of Promoter Group. • Issue of Equity Shares on Preferential Basis to the persons Other Than Promoters and Promoter Group.
2021-22	Friday, 30th September, 2022 at 11:00 A.M.	Through Video Conferencing (VIA Zoom Meeting)	None
2020-21	Tuesday, 28th September, 2021 at 10:00 A.M.	Vaishya Samaj Kalyan Kendra, Electric Industries Marg, Near Sai Service, Borivali (East), Mumbai-400066	• Revision in the remuneration of Mr. Jaspalsingh Chandock, Chairman and Managing Director (DIN 00813218) of the Company. • Revision in the remuneration of Mr. Trimaan Chandock, Whole Time Director (DIN 02853445) of the Company. • Revision in the remuneration of Mr. Jaikaran Chandock, Whole Time Director (DIN 06965738) of the Company. • To Approve Scheme of loan for Managing Director

Extraordinary General Meetings

During the Year 2022-23, 1(One) Extra Ordinary General Meeting (EOGM) was held on 14th July 2023 the details of which are as follows:

The Following Ordinary and Special Resolutions as set out in the Notice of EOGM dated 21st June 2023 are passed by the members by way of Extra Ordinary General Meeting through voting by electronic means ("Remote E-voting"):

S. No.	Particulars
1	Re-appointment of Mr. Jaspalsingh Chandock (DIN: 00813218), as Chairman and Managing Director of the Company.
2	Re-appointment of Mr. Trimaan Jaspalsingh Chandock (DIN: 02853445), as Whole-Time Director of the Company.
3	Re-appointment of Mr. Jaikaran Jaspalsingh Chandock (DIN: 06965738), as Whole-Time Director of the Company,
4	To consider and approve Issue of Convertible Warrants on Preferential Basis to the persons forming part of Promoter Group.
5	To consider and approve Issue of Equity Shares on Preferential Basis to the persons Other Than Promoters and Promoter Group.

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.

11. MEANS OF COMMUNICATION

Quarterly Results 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 English Newspapers (Business Standard - All Editions), (The Free Press Journal –Mumbai Edition) having country-wide circulation and in Marathi Newspapers (Navshakti - Mumbai Edition) where the registered office of the Company is situated.

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

Quarter	Date of Board Meeting	Date of Publication
1st Quarter	11.08.2023	13.08.2023
2nd Quarter	31.10.2023	02.11.2023
3rd Quarter	03.02.2024	04.02.2024
4th Quarter	14.05.2024	16.05.2024

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: https://www.baluindustries.com

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

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

11. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue
Monday, 30 September, 2024 11:30 a.m. (IST) through Video Conferencing (VC) or other Audio Visual Means (OAVM)

Financial Year
April to March

Dividend Payment Date
The final dividend for the FY 2023-24, if approved by the members, will be paid / credited within 30 days from the date of such approval.

Registered Office along with its CIN
506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East), Mumbai – 400 069.
CIN: L29100MH1989PLC255933

Name and Address of Stock Exchanges where Company's securities are listed
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Scrip Code: 531112
***National Stock Exchange of India Limited**
'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
NSE Trading Symbol: BALUFORGE

Listing fees
The Annual Listing fees for the financial year 2024-25 have been paid to both the Stock Exchange.

Share Registrar and Transfer Agents
M/s Skyline Financial Services Pvt. Ltd.
A/505, Dattani Plaza, A K Road, Safed Pool, Andheri (East), Mumbai – 400 072
Tel: 022 - 62215779 / 2851102
Email: pravin.cm@skylinerta.com; mumbai@skylinerta.com

Address for Correspondence

a) For Securities held in Demat form:

The investor's Depository Participant and/or M/s Skyline Financial Services Pvt. Ltd.

b) Balu Forge Industries Ltd. Investor Relation Centre

Ms. Tabassum Begum
Company Secretary & Compliance officer
E-mail: compliance@baluindustries.com
Tel No: +91 8655075578

Company Secretary & Compliance officer

Ms. Tabassum Begum

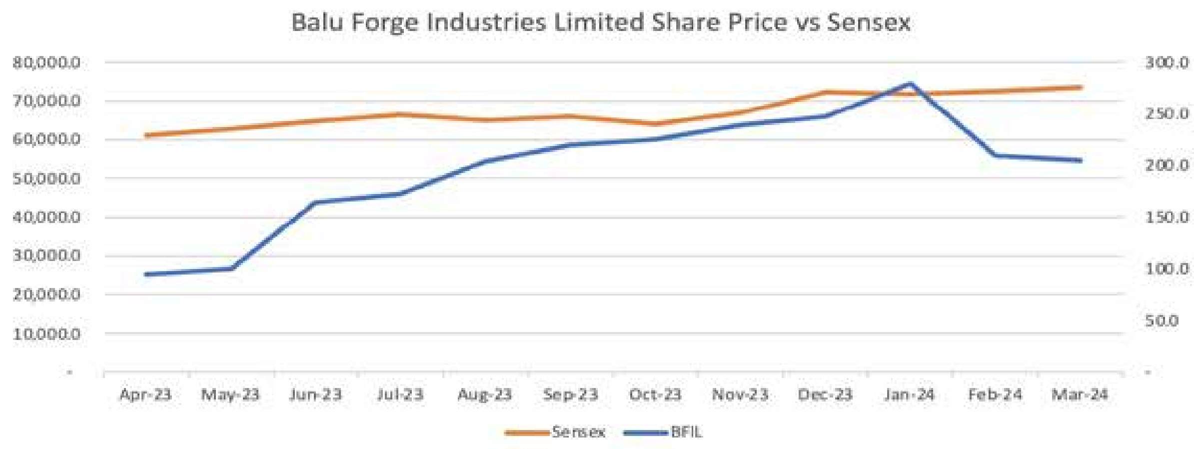
***The Company got listed on National Stock Exchange of India on 29.04.2024.**

Market Price Data

The high and low prices and volumes of your Company's shares at BSE for the financial year 2023-24 are as under:

Month & Year	BALUFORGE		BSE SENSEX	
	High	Low	Low	High
Apr-23	96.90	87.55	61209.46	58793.08
May-23	118.95	92.55	63036.12	61002.17
Jun-23	172.00	99.25	64768.58	62359.14
Jul-23	194.00	155.00	67619.17	64836.16
Aug-23	212.45	166.30	66658.12	64723.63
Sep-23	228.70	186.00	67927.23	64818.37
Oct-23	238.70	192.25	66592.16	63092.98
Nov-23	267.00	226.00	67069.89	63550.46
Dec-23	264.90	220.00	72484.34	67149.07
Jan-24	298.80	246.05	73427.59	70001.6
Feb-24	301.00	200.25	73413.93	70809.84
Mar-24	220.00	154.55	74245.17	71674.42

Performance of Share Price in Comparison to S&P BSE



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 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:

a. To go through the said important communication under the web link at https://www.baluindustries.com/investors-kit.php

b. 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.

c. 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 31st March, 2024

Category of Shareholder	Number of Shares	% of Total Shares
Promoters	57526074	56.07
Alternate Investment Funds	1930866	1.88
NBFCs registered with RBI	9000	0.01
Individuals	19815347	19.31
Foreign Portfolio Investor	9963549	9.71
Body Corporate Indian	10460886	10.20
HUF	527446	0.51
Non-Resident Indian	1063549	1.04
Clearing Members	46383	0.05
Firms	724186	0.71
Trust	524614	0.51
Grand Total	**102591900**	**100**

Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2024 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Shares Holding Amount	% of Issued Capital
Up To 5,000	20217	85.22	21850970.00	2.13
5001 To 10,000	1551	6.54	12411970.00	1.21
10001 To 20,000	840	3.54	12876830.00	1.26
20001 To 30,000	326	1.37	8269370.00	0.81
30001 To 40,000	161	0.68	5807010.00	0.57
40001 To 50,000	148	0.62	6997020.00	0.68
50001 To 1,00,000	230	0.97	17174870.00	1.67
1,00,000 and Above	250	1.05	940530960.00	91.68
Total	23723	100.00	1025919000.00	100.00

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

The particulars of related party transactions of the company with promoter / promoter group during the year under review has been disclosed in the note no. 46 of Standalone Financial Statements.

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

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

Unclaimed Shares

During the financial year under review, the Company does not have any Demat Suspense Account / Unclaimed Suspense Account. The Company has 73,764 unclaimed equity shares of 736 shareholders lying with the Company as per Schedule V of the Listing Regulation. During the year the Company has issued 390 Number of shares to the 05 shareholders from whom the Company/RTA received the requests.

Dematerialisation of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialised mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is ISIN: INE011E01029 - Equity shares. As on 31st March, 2024, total Equity Shares representing 99.87 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 31st March, 2024	No of Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	80689185	78.65%
No. of Shares held in dematerialised form in NSDL	21767931	21.22%
No. of Physical Shares	134784	0.13%
Total	102591900	100%

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

There are no outstanding GDRs/ADRs. The Company issued 30,00,014 Warrants at EOGM dated 14th July, 2023, of which 30,00,014 was converted on 04th September, 2023 for which the company has received ₹34,63,51,616/-, which were used for the objects stated in the Notice of 01/2023-24 Extra-Ordinary General Meeting and the Explanatory Statement of Notice dated 21st June, 2023.

Further, the Company has issued 50,00,000 Warrants at the 34th AGM of the Company held on 27th September, 2023 and received ₹22,95,00,000/-, 25% of total consideration which were used for the objects stated in the Notice of 34th Annual General Meeting and the Explanatory Statement of Notice dated 04th September, 2023. There has been no Category wise variation between projected utilization of funds as stated in the explanatory statement to the notice for the EOGM and AGM. The Company has 50,00,000 Warrants outstanding as on 31st March, 2024.

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, Kakti 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) has been made in note no. 46 of the Standalone Financial Statements.

b. Details of Non-Compliance by the Company:

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

There 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.

During the financial year 2023-24, 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 31st March, 2024.

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 28th June, 2024 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.

H. Details of utilization of funds raised through Preferential Allotment

The proceeds of funds raised under preferential issue of the Company are utilized as per Objects of the Issue. The disclosure in compliance with the Regulation 32 (7A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is as under:

Out of the total fund raised by the Company for the financial year 2023-24 under preferential issue:

i. Preferential Allotment dated 26th July, 2023:

There is no amount unutilized as on 31st March, 2024.

ii. Preferential Allotment dated 06th October, 2023:

Out of the total proceeds of ₹137.70 Crs, ₹68.85 Crs which includes both 100% of consideration of Equity shares and 25% of the consideration of warrants, has been received and utilised till 31st March, 2024.

Sr. No.	Particulars	Actual Utilization of proceeds upto 31st March, 2023	Actual Utilization of proceeds upto 31st March, 2024
1.	The funds raised from the proposed issue of Equity Shares and Warrants is utilized for a combination of funding of the expenditure for Purchase and installation of Plant and Machinery, expansion, Company long-term working capital and to meet general corporate purposes.	Nil	₹193.11 Crores
2.	The funds raised from the proposed issue of Equity Shares and Warrants is utilized for a combination of funding of the expenditure of Company long-term working capital and to meet general corporate purposes.	Nil	₹68.85 Crores

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

The particulars of Loans and advances in the nature of loans to companies in which directors are interested by the Company and its subsidiaries during the year under review has been disclosed in the note no. 46 of Standalone Financial Statements.

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

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

K. Certificate from a Company Secretary in practice

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

L. MD certification

Certificate from Mr. Jaspalsingh Chandock, Chairman & Managing Director, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the financial year 2023-2024 was placed before the Board at its meeting held on 14th May, 2024, and also forms part of this Annual Report.

M. Declaration Affirming Compliance of Code of Conduct

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

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

N. Total fees paid by the Company and its subsidiaries, on a consolidated basis to Statutory Auditors and all entities in its network firm/network entity, during the Financial Year 2023-24.

Total fees for all services paid by the Company to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended 31st March, 2024 is ₹9,87,500/- [Rupees Nine Lakh Eighty-Seven Thousand Five Hundred 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. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

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

- Modified opinion(s) in audit report: The Statutory Auditors have issued an unmodified audit opinion on the financial statements of the Company for the year ended 31st March, 2024.
- Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee for functional matters and presents the internal audit report to the Audit Committee every quarter.

15. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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

CODE OF CONDUCT DECLARATION

In terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the affirmations provided by the Directors and Senior Management Personnel of the Company to whom Code of Conduct is made applicable, it is declared that the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct for the year ended 31st March, 2024.

Sd/-

Place: Mumbai
Date: 06th September 2024

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	Name of Director	DIN	Original Date of Appointment in the Company	Date of Resignation
1	Jaspalsingh Chandock	00813218	19/11/2020	-
2	Trimaan Chandock	02853445	19/11/2020	-
3	Jaikaran Chandock	06965738	19/11/2020	-
4	Raghvendra Raj Mehta	01947378	30/06/2021	-
5	Radhey Shyam Soni	07962657	30/06/2021	-
6	Shalu Laxmanraj Bhandari	00012556	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, AABID & CO.
Company Secretaries

Sd/-
CS Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
PR No.: P2007MH076700
UDIN: F006579F001018755

Date: 22.08.2023
Place: Mumbai

Compliance Certificate from Practicing Company Secretaries Regarding Compliance of Conditions of Corporate Governance

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

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, 2024. 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, 2024.

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, AABID & CO.
Company Secretaries

Sd/-
CS Mohammed Aabid
Partner
Membership No.: F6579
COP No.: 6625
PR No.: P2007MH076700
UDIN: F006579F001019131

Date: 22.08.2023
Place: Mumbai

Managing Director (MD) Certification

I hereby certify that:

(a) I have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2024 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 my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.

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

(d) I 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: 14th May 2024

Annexure II

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	: L29100MH1989PLC255933
2	**Name of the Listed Entity**	: Balu Forge Industries Limited
3	**Year of incorporation**	: 1989
4	**Registered office address**	: 506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East) , Mumbai, Maharashtra, India – 400069
5	**Corporate address**	: 506, 5th Floor, Imperial Palace, 45 Telly Park Road, Andheri (East) , Mumbai, Maharashtra, India – 400069
6	**E-mail**	: compliance@baluindustries.com
7	**Telephone**	: 91-8655075578
8	**Website**	: https://www.baluindustries.com
9	**Financial year for which reporting is being done**	: 1st April, 2023 to 31st March, 2024
10	**Name of the Stock Exchange(s) where shares are listed**	: National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE)
11	**Paid-up Capital**	: ₹ 10259.19 lakhs
12	**Name and contact details (telephone, email address) of the person who may becontacted in case of any queries on the BRSR report**	: Ms. Tabassum Begum Compliance officer Telephone: 91-8655075578 Email: compliance@baluindustries.com
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis(i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	: This report is prepared on standalone basis.
14	**Name of assurance provider**	: Not Applicable
15	**Type of assurance obtained**	: Not Applicable

II. Products/services

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

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

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

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

III. Operations

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

Location	Number of plants	Number of offices	Total
National	2	2	4
International	-	-	-

19. **Markets served by the entity:**

a. **Number of locations**

Locations	Number
National (No. of States)	3
International (No. of Countries)	80

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

99% (including deemed export of 37%)

c. **A brief on types of customers**

The Company cater to a broad spectrum of clients across multiple industries, including automotive, agriculture, defense, and industrial machinery. Our clientele primarily consists of original equipment manufacturers (OEMs) and Tier 1 suppliers who require high-quality forged and machined components. The company's products are utilized in applications such as engines, transmissions, axles, and heavy machinery. The Company have a strong presence in international markets, supplying to companies in Europe, Asia, and North America.

IV. Employees

20. **Details as at the end of Financial Year:**

a. **Employees and workers (including differently abled):**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	44	41	93%	3	7%
2.	Other than Permanent (E)	0	0	-	0	-
3.	**Total employees(D + E)**	**44**	**41**	**93%**	**3**	**7%**
			WORKERS			
4.	Permanent (F)	76	76	100%	0	-
5.	Other than Permanent (G)	325	325	100%	0	-
6.	**Total workers (F + G)**	**401**	**401**	100%	**0**	**-**

b. **Differently abled Employees and workers:**

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

21. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.7%
Key Management Personnel	5	1	20.0%

22. **Turnover rate for permanent employees and workers**

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate inprevious FY)			FY 2021-22 (Turnover rate in theyear prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5%	-	5%	6%	-	6%	4%	-	4%
Permanent Workers	10%	-	10%	9%	-	9%	8%	-	9%

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

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

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

VI. CSR Details

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

(ii) Turnover (in ₹) - ₹38,808.26 lakhs
(iii) Net worth (in ₹) - ₹52,011.11 lakhs

VII. Transparency and Disclosures Compliances

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

Stakeholder group fromwhom complaint is received	Grievance Redressal Mechanismin Place(Yes/No) (If Yes,then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during theyear	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during theyear	Number of complaints pending resolution at close of the year	Remarks
Communities	The relevant policies supporting the principles of the BRSR, including the grievance redressal mechanism, are available at https://www.baluindustries.com/corporate-governance.php.	Nil	Nil	-	Nil	Nil	-
Investors (other thanshareholders)		Nil	Nil	-	Nil	Nil	-
Shareholders		2	2	-	Nil	Nil	-
Employees and workers		Nil	Nil	-	Nil	Nil	-
Customers		Nil	Nil	-	Nil	Nil	-
Value Chain Partners		Nil	Nil	-	Nil	Nil	-
Other (please specify)		Nil	Nil	-	Nil	Nil	-

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	S. No.	Material issue identified	Indicate whether riskor opportunity (R/O)
1	Market Demand Fluctuations	Risk	Volatile market conditions can lead to fluctuating demand for products like crankshafts, affecting overall business stability and profitability.	Diversify product offerings to reduce dependence on specific markets, explore and enter new geographical markets, and adjust production schedules to match demand variations.	**Negative**: Fluctuations in demand may reduce revenue and profitability, impacting the company's financial health. This can lead to a reduction in market share and increased operational costs due to production adjustments.
2	Technological Advancements	Opportunity	Investing in advanced machining technologies can significantly improve production efficiency, product quality, and competitiveness.	Continuous investment in Research & Development (R&D) to stay ahead in adopting the latest technologies, maintaining a competitive edge in the industry.	**Positive**: Enhanced efficiency can lead to substantial cost savings, improved profit margins, and increased competitiveness. The company can also gain a reputation as an industry leader in innovation and quality.
3	Customer Relationships and Retention	Opportunity	Strong customer relationships are vital for repeat business, referrals, and long-term loyalty, contributing to stable revenue.	Implement customer loyalty programs, provide excellent customer service, and consistently meet or exceed customer expectations to foster long-term relationships.	**Positive**: Stable and growing revenue streams from repeat customers, reduced marketing costs due to word-of-mouth referrals, and potential for long-term business growth through customer loyalty and satisfaction.
4	Energy Efficiency and Sustainability	Opportunity	Adopting sustainable practices can reduce operational costs, enhance brand image, and meet growing environmental expectations from stakeholders.	Invest in energy-efficient machinery, reduce waste, and implement sustainable processes throughout operations, including using renewable energy sources where possible.	**Positive**: Lower operational costs due to reduced energy consumption and waste, improved profitability, and a strengthened reputation among environmentally-conscious customers and stakeholders.
5	Skilled Labor Shortage	Risk	A shortage of skilled labor, can lead to production delays, quality issues, and increased operational costs.	Invest in training and development programs, offer competitive salaries and benefits, and focus on employee retention strategies to maintain a skilled workforce.	**Negative:** Higher training costs, potential delays in production leading to missed deadlines, reduced overall operational efficiency, and potential loss of business, all of which can negatively impact profitability.

6	Cybersecurity Threats	Risk	Increasing digitalization exposes the company to potential cyber-attacks, risking data security, business continuity, and customer trust.	Implement robust cybersecurity measures, including firewalls, encryption, and regular system audits, alongside comprehensive employee training on cybersecurity awareness.	**Negative**: Data breaches can lead to significant financial losses, damage to the company's reputation, potential legal consequences, and interruptions in business operations, all of which can severely impact overall business health.
7	Partnerships and Alliances	Opportunity	Strategic partnerships can enhance capabilities, expand market reach, and introduce new business opportunities, leading to growth.	Actively seek and form strategic alliances with complementary businesses to leverage mutual strengths, share resources, and explore new markets together.	**Positive:** Collaborations can result in new revenue streams, market expansion, and increased competitive advantage, leading to sustainable growth and profitability for the company.
8	Occupational Health & Safety Risk	Risk	Ensuring a safe workplace is crucial for operational continuity and employee well-being across all business verticals.	Implement and continuously improve safety practices, adhering to Environmental, Health, and Safety (EHS) Policy and ISO 45001:2018 standards, to prevent workplace accidents.	**Negative** Safety incidents can result in reduced employee productivity, operational disruptions, potential financial penalties, and legal liabilities, negatively affecting the company's financial and operational stability.
9	Corporate Governance	Opportunity	Conducting business in an ethical, transparent, and accountable manner builds trust, ensuring long-term sustainability and stakeholder confidence.	Maintain high standards of corporate governance, ensure transparency in reporting, and adhere to ethical practices across all operations to build and maintain trust with stakeholders.	**Positive** Strengthened stakeholder trust, sustainable financial performance, and an enhanced reputation, leading to long-term value creation and reduced risk of regulatory or reputational issues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies on HR, ISO, CSR, Insider Trading, Related Party etc. are available on https://www.baluindustries.com/corporate-governance.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Balu Forge Industries Limited has its policies in line with international standard and practices such as ISO 9001, ISO 45001, ISO 14001, IATF 16949;2016)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• **Net Zero Emissions:** ✓Carbon Neutral Operation by 2040. • **Renewable Energy:** ✓ Transition to 100% renewable energy by 2035 • **Water Management:** ✓ Achieve 100% water recycling by 2027. ✓ Achieve Zero Liquid Discharge by 2030 • **Waste Management:** ✓ Reduce total waste generation by 2030. • **Diversity and Inclusion:** ✓ Increase women's representation in leadership by 20% 2030.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Balu Forge Industries Limited has established an ESG Roadmap that clearly defines its goals, specific commitments, and targets. The implementation of the initiatives outlined in this roadmap is already in progress. Progress is monitored periodically, with regular updates provided to the Committee. The company is on track to achieve its specified commitments and goals.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

   Since its inception, Balu Forge Industries Limited has been committed to environmental sustainability, prioritizing ESG principles well before they gained widespread recognition.

   One of the key challenges we face is the complexity of transitioning our existing infrastructure to more sustainable alternatives. This process requires significant investment in new technologies and the continuous adaptation of our operations. However, we are resolute in our commitment to achieving carbon-neutral operations by 2040 and transitioning to 100% renewable energy by 2035. These targets are ambitious, yet essential, as we align our practices with global climate change mitigation efforts.

   Water management is another critical area where we have set rigorous targets. By 2027, we aim to achieve 100% water recycling across our operations and reach Zero Liquid Discharge (ZLD) by 2030. These goals underscore our dedication to minimizing our environmental impact and preserving vital natural resources.

In addition to environmental targets, we are focused on social sustainability, particularly in fostering diversity and inclusion within our organization. We have set a target to increase women's representation in leadership roles by 20% by 2030. This is part of our broader effort to create an equitable and inclusive workplace, which we believe is fundamental to our long-term success.

While we have made significant progress, we remain acutely aware of the challenges ahead. Managing the costs associated with technological innovations and ensuring that our suppliers adhere to the same high standards of sustainability are ongoing priorities. Our CSR Committee diligently monitors our progress in these areas, providing regular updates to stakeholders and ensuring that we remain on track to meet our goals.

We are proud of what we have accomplished thus far, but we recognize that our journey is far from over. We will continue to push the boundaries of what is possible in ESG, driven by our commitment to creating a sustainable and prosperous future for all our stakeholders.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Trimaan Chandok Whole-time Director (DIN 02853445)
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company has established a Management Committee at the board level, responsible for overseeing its ongoing social, environmental, governance, and economic responsibilities. The progress of ESG initiatives is reviewed on an annual basis.

10. Details of Review of NGRBCs by the Company:

Subject for Review	**Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee**									**Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)**								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	The Management Committee assesses the policies of the Company at the required intervals. The Policies effective implementation. is assessed and requisite amendments/ modifications are adopted.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is compliant with all the statutory requirements to the principles.									Annually								

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

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

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

Section C: Principle-Wise Performance Disclosure

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)#	1	The Company provided a detailed familiarization program for Independent Directors, covering topics such as Insider Trading, ESG/sustainability, recent SEBI amendments, and the Company's divisions and products..	75%
Key Managerial Personnel (KMP)#	3	Training covers Related Party Transactions, GDPR, Digital Data Protection, Ethics, Human Rights, POSH, Health & Safety, Environment, Energy, Business Strategy, and SEBI/ LODR amendments.	100%
Employees other than BoD and KMPs	2	Training covers key areas such as Corporate Governance, Ethics, Anti-bribery, POSH, EHS, Cyber Security, and ESG/ BRSR reporting. Sessions are delivered via classroom and e-learning platforms, focusing on both technical skills like Impact Testing and Machine Safety, as well as soft skills like Team Building and Communication.	80%
Workers	6	Training programs cover key areas such as Ethics, POSH, ESG awareness, Diversity, Health & Safety, and Skill Upgradation. Specialized training includes Geometrical Dimensioning, Product Safety.	69%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

In the financial year 2023-24, Balu Forge Industries Limited, along with its Directors and Key Managerial Personnel (KMPs), did not face any monetary or non-monetary fines, penalties, punishments, awards, compounding fees, or settlement payments in any proceedings with regulators, law enforcement agencies, or judicial institutions based on materiality thresholds specified in Regulation 30 of SEBI.

Monetary

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred?(Yes/No)
Penalty / Fine	Nil	Not Applicable	Nil	Not Applicable	Not Applicable
Settlement					
Compounding fee					

Non-Monetary

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Not Applicable	Not Applicable	Not Applicable
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company upholds a rigorous Anti-Bribery and Anti-Corruption Policy, demonstrating a zero-tolerance stance towards any form of unethical behavior. This policy ensures that all business activities are conducted in strict accordance with applicable laws and the highest ethical standards. Employees are expressly prohibited from accepting any offers or payments intended to influence business decisions, as outlined in the Company's Code of Conduct. Additionally, suppliers are required to comply with this policy; any involvement in bribery or corruption may result in blacklisting and legal action by the Company, reinforcing its commitment to integrity and transparency in all operations.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict to interest of the Directors	Nil	NA	Nil	NA
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest –

Not Applicable

8. Number of days of accounts payables ({Accounts payable *365} / Cost of goods/services procured):

	FY 2023-24	FY 2022-23
No of days of accounts payable	84	105

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	97%	90%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners} under the awareness programmes
5	The topics covered broadly include anti-corruption and the protection of human rights for our Manpower Service Providers. We have also initiated supplier assessments across various Environmental, Social, and Governance (ESG) areas to evaluate and enhance their ESG performance.	71%

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Yes, the Company has a robust policy to manage conflicts of interest for Board members and Senior Management. They must abstain from decisions where conflicts arise and obtain Board approval before joining competing companies. The policy ensures alignment between personal or business interests and the Company's operations.

PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D*	0.30%	0.39%	The Company undertakes R&D efforts to enhance the environmental and social impact of its products, ensuring alignment with customer requirements. These initiatives have successfully reduced specific power and fuel consumption, leading to a decrease in carbon emissions.
Capex	-	-	The Company's capital expenditure program is centered on investing in assets that improve the quality of manufacturing processes, support capacity expansion, and introduce new products to the Company's portfolio. This strategy not only minimizes the environmental and social impacts of operations but also allows the Company to offer products and services with a reduced environmental footprint. Key investments in systems such as heaters, cooling systems, compressors, motors, and emission control technologies are integral to achieving these goals.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   The Company has embedded sustainability into its supply chain, mandating that suppliers adhere to stringent environmental, legal, and ethical standards. Manufacturing processes are optimized annually to minimize energy and resource consumption. The Company prioritizes locally sourced, high-quality materials and advocates for sustainable packaging practices. A comprehensive supplier sustainability code sets forth the criteria for vendor selection, emphasizing safety, health, environmental responsibility, and ISO certification.

   b. If yes, what percentage of inputs were sourced sustainably?

   Vendors are selected based on the sustainable procurement policy, with the majority of materials sourced from vendors who have undergone ESG compliance assessments.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

   Balu Forge Industries Limited (BFIL) manufactures products with resale value that can be recycled or retrofitted. However, as these products are supplied directly to OEMs and Tier-1 automotive companies, BFIL has limited involvement in reclaiming them at the end of their life cycle. Nevertheless, the company has implemented robust systems for the safe recycling of e-waste, hazardous waste, and other materials through authorized recyclers. Additionally, BFIL promotes waste reduction by reusing iron pallets and bins in its packaging processes.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Not Applicable for the Company during the Financial Year 2023-24.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format**

   The Company has not conducted any life cycle assessment for the products till date. However, the Company is planning to carry out the LCA for products in the coming years.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

   Not Applicable

3. **Recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Not Applicable.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   Because the product is supplied directly to OEMs, the Company has limited opportunities to reclaim it at the end of its life cycle.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Since the product is supplied directly to OEMs, the Company has limited opportunities to reclaim it at the end of its life cycle.

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total(A)	% of Employees covered by									
		Health insurance		Accidentinsurance		Maternity benefits		Paternitybenefits		Day Care facilities@	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F/A)
Permanent Employees											
Male	41	25	61%	0	-	0	-	0	-	0	-
Female	3	0	0%	0	-	3	100%	0	-	0	-
Total	**44**	**25**	**57%**	**0**	**-**	**3**	**100%**	0	-	0	-
Other than Permanent Employees											
Male	0	0	-	0	-	0	-	0	-	0	-
female	0	0	-	0	-	0	-	0	-	0	-
Total	**0**	**0**	**-**	**0**	**-**	0	-	0	-	0	-

b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health insurance		Accidentinsurance		Maternitybenefits		Paternity Benefits		Day Carefacilities@	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F/A)
Permanent Workers											
Male	76	76	100%	0	-	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
Total	**76**	**76**	**100%**	**0**	**-**	0	-	0	-	0	-
Other than Permanent Workers											
Male	325	208	64%	0	-	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
Total	**325**	**208**	**64%**	**0**	**-**	0	-	0	-	0	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.10%	0.20%

2. Details of retirement benefits, for Current FY and Previous FY.

Benefits	FY 2023-24*			FY 2022-23*		
	No. of employees covered as a %of total employees	No. of workers coveredas a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers coveredas a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

*100% of eligible employees under respective Regulation are covered.

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company's workplaces are accessible to differently-abled employees, with permanent office buildings and manufacturing sites designed to comply with the accessibility standards set by the Rights of Persons with Disabilities Act, 2016. These facilities include accessible site and building entrances, easy-to-operate doors in corporate and factory offices, push/lever type wash basin fixtures, well-lit and spacious corridors, and clearly marked signage.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an equal opportunity policy in place that aligns with the provisions of the Rights of Persons with Disabilities Act, 2016. This policy is designed to ensure a fair and inclusive workplace for all employees, including those with disabilities.

Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	FY 2023-24			
	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

5. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Yes / No (If yes, then give details of the mechanism in brief)	
Permanent Workers	We have implemented a robust Grievance Redressal system specifically designed for our employees to address any concerns they may have. Grievances are handled promptly and fairly, with full confidentiality assured throughout the process. We have made grievance registers and complaint boxes available at various locations, providing employees with convenient ways to voice their concerns. Contract workers can also raise issues through their contractor representative or company supervisor, who will either address the matter directly or escalate it to HR and the relevant department heads as needed. In addition, the Company has a policy in place to prevent, prohibit, and address sexual harassment in the workplace. We have also established a Whistle Blower Policy with a vigil mechanism, allowing employees to report unethical conduct or financial misconduct. To further support these initiatives, we regularly conduct workshops, group meetings, online training sessions, and awareness programs to educate and sensitize our workforce on the prevention of sexual harassment.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

6. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) orUnion (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) orUnion (D)	% (D / C)
Total Permanent Employees						
Male	41	0	-	30	0	-
Female	3	0	-	2	0	-
Total Permanent Workers						
Male	76	0	-	43	0	-
Female	0	0	-	0	0	-

7. **Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total(A)	On Health and Safety Measures		On skill upgradation		Total(D)	On Health and Safety measures		On skill upgradation	
		No.(B)	% (B / A)	No.(C)	% (C / A)		No.(E)	% (E / D)	No.(F)	% (F / D)
Employees (Other than workers) (incl. permanent + Other than permanent)										
Male	41	32	78%	31	76%	30	25	83%	19	63%
Female	3	2	67%	2	67%	2	2	100%	2	100%
Total	**44**	**34**	**77%**	**33**	**75%**	**32**	**27**	**84%**	**21**	**66%**
Workers (Only permanent)										
Male	76	69	91%	43	57%	43	38	88%	25	58%
Female	0	0	-	0	-	0	0	-	0	-
Total	**76**	**69**	**91%**	**43**	**57%**	**43**	**38**	**88%**	**25**	**58%**

8. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees (Other than workers) (incl. permanent + Other than permanent)						
Male	41	35	85%	30	26	87%
Female	3	2	67%	2	0	0%
Total	**44**	**37**	**84%**	**32**	**26**	**81%**
Workers (Only permanent)						
Male	76	45	59%	43	21	49%
Female	0	0	-	0	0	-
Total	**76**	**45**	**59%**	**43**	**21**	**49%**

9. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Company has adopted and implemented the ISO 45001 Safety Management System framework, integrating it into all critical business activities. This framework ensures the provision of safe and healthy workplaces across all Company establishments, aiming to prevent work-related injuries and illnesses, minimize risks, and continuously improve safety performance. All our locations are certified under ISO 45001:2018

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Balu Forge Industries Limited (BFIL) has implemented comprehensive procedures to identify hazards and assess associated risks across all its project sites, manufacturing units, and offices. These procedures include:

- **Method Statements:** Detailed method statements are prepared for all activities, outlining the sequence of steps to be followed and identifying potential hazards.
- **Systematic Risk Assessment:** A systematic approach is employed to identify hazards and assess associated risks for all activities, helping to understand the potential consequences and likelihood of incidents.
- **Real-Time Risk Evaluation:** The Company conducts last-minute risk assessments, allowing for real-time evaluation of risks immediately before starting work activities.
- **Effective Communication of Risks:** Identified risks and control measures are communicated effectively to all stakeholders involved, ensuring awareness of potential hazards and how to mitigate them.
- **Fatality Prevention Plan:** A comprehensive Fatality Prevention Plan has been implemented across all business operations. This includes stringent monitoring of safety measures and the deployment of safety systems in high-risk areas, with the ultimate goal of achieving zero accidents.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Balu Forge Industries Limited (BFIL) has a robust Incident Management and Investigation System in place to ensure transparent reporting and resolution of work-related hazards, including unsafe acts, near misses, and serious incidents. The Company conducts thorough Root Cause Failure Analyses and tracks corrective actions to closure. BFIL promotes safety engagement through suggestion boxes and a whistleblower portal at each site. Committed to health, safety, and environmental sustainability, BFIL sets proactive EHS objectives, enforces PPE usage, and integrates ergonomic practices across all plants.

The Company also collaborates with government, industry, and academia to support regulations and programs addressing EHS concerns.

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, Balu Forge Industries Limited (BFIL) prioritizes the health and well-being of its employees and business partners. We provide well-equipped healthcare facilities, conduct health check-ups, and hold awareness sessions to promote overall wellness. Beyond physical health, we emphasize mental well-being through programs designed to help employees manage stress and maintain a healthy work-life balance.

10. Details of safety-related incidents, in the following format:

Safety Incident / Number	Category	FY2023-24	FY2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Worker#	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Worker#	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Worker	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Worker	Nil	Nil

11. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Balu Forge Industries Limited (BFIL) is committed to fostering a safe and healthy workplace through a comprehensive Health and Safety Management System. The Company's Environmental, Health, and Safety (EHS) framework is designed to ensure zero harm across all operations. This commitment is reflected in daily safety talks, regular job-specific training, and strict adherence to the Work Permit System. BFIL conducts routine safety audits, mock drills to maintain high safety standards and proactively identify potential hazards.

To further enhance workplace safety, BFIL implements necessary measures based on Hazard Identification and Risk Assessment (HIRA) and Aspect Impact assessments. The Company actively identifies and addresses near misses, ensuring that unsafe acts and conditions are promptly rectified. Employee health is a priority, with regular health checkups provided, and strict enforcement of Personal Protective Equipment (PPE) usage. Additionally, BFIL's Safety Policy includes comprehensive fire prevention and control measures, solidifying its commitment to continuous improvement and a strong safety culture.

12. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed duringthe year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	N.A.	Nil	Nil	N.A.
Health & Safety	Nil	Nil	N.A.	Nil	Nil	N.A.

13. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Balu Forge Industries Limited (BFIL) continuously refines its safety guidelines and Standard Operating Procedures (SOPs) by analyzing past incidents and case studies to enhance predictive analysis and incident assessment. This proactive approach helps in identifying unsafe behaviors and significant risks, thereby preventing potential accidents. Key initiatives include the implementation of a Near Miss Awareness Program, which encourages reporting of near misses to enhance safety awareness, and the promotion of a no-blame culture to ensure transparent communication about incidents. BFIL also includes contractor representation in safety committees to ensure that all parties involved are aligned on safety practices.

In addition to these initiatives, BFIL conducts regular training sessions focusing on safety. Corrective and Preventive Actions (CAPA) are systematically implemented for each LTI incident to address root causes and prevent recurrence. These measures reflect BFIL's strong commitment to health and safety, resulting in a significant reduction in safety-related incidents across all locations.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)**

   (B) Workers (Y/N).

   A) Employees – No

   b) Workers - No

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Balu Forge Industries Limited (BFIL) ensures contractors are liable for paying minimum wages, gratuity, GST, PF, ESIC, and bonuses to workers. Contractors must pay workers directly, with BFIL verifying these payments through bank statements. For PF and ESIC, BFIL debits the contractors' accounts to ensure timely government payments. GST payments are made to contractors only after confirming necessary returns are filed. BFIL requires value chain partners to submit compliance documents monthly, which are verified by both a third-party agency and the internal compliance team to ensure full adherence to regulatory requirements.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

   Balu Forge Industries Limited (BFIL) consistently offers skill-upgradation training programs to employees throughout their careers. These programs are customized to address the unique needs of various roles and functional areas, ensuring that employees acquire valuable skills that will enhance their career opportunities both after retirement and in the event of termination.

5. **Details on assessment of value chain partners:**

% of value chain partners (by value of business done with such partners) that were assessed	
Health and Safety Practices	Vendors accounting for 71% of the total value have undergone assessment through either physical audits or documentation reviews.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Balu Forge Industries Limited (BFIL) prioritizes the safety and working conditions of its value chain partners, regularly conducting assessments of their health and safety practices. The company takes necessary corrective actions based on these assessments to ensure compliance with all safety parameters. Suppliers must adhere to BFIL's Supplier Code of Conduct upon registration, with health and safety being a key focus in their operations. BFIL also supports suppliers in developing and implementing policies related to business ethics, human rights, environment, health and safety, energy, and responsible sourcing, ensuring alignment with the company's standards.

PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Balu Forge Industries Limited (BFIL) recognizes that effective stakeholder engagement is essential for the success of its business. The company identifies key stakeholders based on their significant influence on BFIL and the potential impact of the company's decisions on them. BFIL is dedicated to maintaining regular and meaningful interactions with these stakeholders to align with their expectations, foster transparency, and build lasting relationships. This ongoing engagement helps shape business strategies that create mutual value for both the company and its stakeholders. The company's key stakeholders include employees, vendors, government authorities, customers, investors, media, local communities, NGOs, and CSR partners. Through this collaborative approach, BFIL ensures that it remains responsive to stakeholder needs while driving sustainable growth.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS,Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Th Company engages with shareholders and investors through various channels, including the Annual General Meeting, shareholder meetings, email communications, Stock Exchange (SE) intimations, investor/analyst meetings and conference calls, media releases and updates on the Company/SE website.	Quarterly, as, and when required	Evaluate stock price performance, dividend distribution, profitability, and financial stability. Explore potential growth opportunities. Address climate change risks, cyber risks, and future growth prospects.
Employees	No	Senior leadership communications, town hall briefings, goal-setting and performance appraisal meetings, exit interviews, one-on-one interactions, HR communications, workshops, internal emails, and training programs.	Ongoing	Address career development and performance. Offer training and build awareness. Share the company's vision, along with short-term and long-term goals, and clarify workplace expectations. Identify and report human rights issues, ensuring awareness of reporting mechanisms. Boost operational efficiency. Promote health, safety, and employee engagement initiatives.
Customers	No	Website, distributor/retailer/customer meetings and visits, helpdesk, conferences, joint business development plans, emails, customer surveys, reports, brochures, feedback mechanisms, interviews, personal visits, publications, mass media and digital communications, plant visits, support programs, social media, and conferences and events.	Ongoing	Cultivate long-term relationships, ensure service quality, anticipate both short-term and long-term expectations, and respond proactively to needs.
Vendors / Sub contractors	No	Vendor/Sub Contractor meetings, policy communications and Vendor sustainability assessments.	Ongoing	Share mutual expectations on quality, cost, timely delivery, and growth plans. Exchange best practices.
Communities	Yes	Engagements with the community and local authorities, community visits and projects, partnerships with local charities and NGOs, and volunteer initiatives.	Ongoing	Identify and prioritize community needs. Conduct third-party impact assessments of CSR initiatives and evaluate human rights considerations. Manage and review CSR activities, developing and implementing awareness programs to ensure the upliftment of the local community. Understand community needs and respond effectively.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At Balu Forge Industries Limited (BFIL), we recognize that stakeholder engagement is an ongoing, leadership-driven process. Our structured approach to engagement is designed to adapt to emerging trends, global developments, and market demands, allowing us to proactively assess and address critical issues. We value the influence stakeholders have on our decisions and understand the impact our actions can have on them.

Regular dialogues with community stakeholders are integral to our operations, with feedback reviewed at all business levels. Public consultations are incorporated into new projects and expansions, ensuring that stakeholder input shapes our project design.

Our Board oversees these consultations, focusing on sustainability strategies and long-term goals. They play a pivotal role in business decisions, ensuring workplace safety, mitigating environmental impact, and strengthening stakeholder relations. Our management-level ESG team, actively engages stakeholders on ESG and sustainability topics, providing regular updates to ensure alignment with our goals and better serve our stakeholders.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

At Balu Forge Industries Limited (BFIL), stakeholder engagement exercises and materiality assessment results are pivotal in identifying the most critical sustainability-related issues for the business. These insights drive the development of strategies, the formulation of policies, and the implementation of monitoring mechanisms, ensuring that our approach to sustainability is both targeted and effective.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

Balu Forge Industries Limited (BFIL) is committed to continuously identifying and supporting disadvantaged, vulnerable, and marginalized stakeholders. For new projects or expansions, we proactively engage with these groups through our CSR activities. We have implemented a robust stakeholder management and grievance mechanism across all our locations. Our engagement is driven by CSR programs focused on empowering women, fostering financial independence, and enhancing leadership and economic skills. Additionally, our initiatives extend support to farmers, women, students, and unemployed youth, ensuring their upliftment and development.

Stakeholder	Stakeholder engagement	Stakeholders interests
Cancer Patients Aid Association (CPAA)	Adopt a Cancer Patient	• Providing financial and emotional support to cancer patients. • Ensuring access to necessary medical treatments and care. • Enhancing the quality of life for patients and their families. • Raising awareness about cancer prevention and early detection. • Advocating for better healthcare policies and support systems. • Facilitating patient education and empowerment.
Lend a Hand India (IC3 Institute)	Supporting the training of high school educators to empower them to run robust career and college counseling departments	• Enhancing the quality of career and college counseling in high schools. • Empowering educators with the skills and knowledge needed for effective student guidance. • Bridging the gap between education and career readiness for students. • Promoting equal opportunities for students in accessing higher education and career pathways. • Collaborating with schools to implement sustainable counseling programs. • Addressing the evolving needs of students in an increasingly competitive environment.

K C Mahindra Education Trust	Nanhi Kali	• Promoting education for underprivileged girls in India. • Ensuring access to quality education and learning resources. • Empowering girls through academic support and mentorship. • Addressing social and economic barriers to girls' education. • Advocating for gender equality and the importance of girls' education. • Building sustainable communities by investing in the education of girls.

PRINCIPLE 5 - Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total(A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	44	29	66%	32	22	69%
Other than Permanent	0	0	-	0	0	-
Total Employees	**44**	**29**	**66%**	**32**	**22**	**69%**
Workers						
Permanent	76	39	51%	43	30	70%
Other than Permanent	325	138	42%	289	131	45%
Total Workers	**401**	**177**	**44%**	**332**	**161**	**48%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total(A)	Equal to minimum wages		More than minimum wages		Total(D)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	41	0	-	41	100%	30	0	-	30	100%
Female	3	0	-	3	100%	2	0	-	2	100%
Other than Permanent										
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Workers										
Permanent										
Male	76	0	-	76	100%	43	0	0%	43	100%
Female	0	0	-	0	-	0	0	-	0	-
Other than Permanent										
Male	325	77	24%	248	76%	289	84	29%	205	71%
Female	0	0	-	0	-	0	0	-	0	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ in Lakhs)	Number	Median remuneration/ salary / wages of respective category (₹ in Lakhs)
Board of Directors (BoD)	3	36.00	-	-
Key Managerial Personnel	1	14.12	1	6.84
Employees other than BoD and KMP	28	3.60	2	4.58
Workers	332	1.52	-	-

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

At Balu Forge Industries Limited (BFIL), the Head of Human Resources is responsible for addressing human rights impacts and issues. In alignment with our Human Rights Policy, we require all relevant stakeholders to adhere to the policy's principles and comply with applicable laws and regulations across all operating regions. Employees have unrestricted access to the Audit Committee to raise any concerns, and the Prevention of Sexual Harassment (POSH) Committee specifically addresses issues related to sexual discrimination within the company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Stakeholders can raise human rights concerns through the Whistle-blower Policy, the grievance management system on the company website, or by directly contacting the Grievance Redressal Team. The organization guarantees unimpeded access to state-based judicial processes. Additionally, HR regularly reviews compliance with Human Rights Policies, ensuring that any issues or impacts are addressed appropriately and within the designated timeline.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at Workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Balu Forge Industries Limited (BFIL) enforces a strict zero-tolerance policy against discrimination, bullying, harassment, and inappropriate conduct. The company ensures complainant protection through confidentiality and safeguards against retaliation. The Corporate Responsibility Committee monitors incidents for alignment with sustainability and human rights standards, while the Risk Management Committee oversees human rights risks. BFIL promotes awareness by making human rights guidelines accessible on its website and conducting targeted sessions for employees. The POSH Policy aligns with legal standards, ensuring protection throughout investigations. BFIL's "no-compromise" approach leads to disciplinary action, including termination of business relationships, for any human rights violations.

9. Do human rights requirements form part of your business agreements and contracts?

Balu Forge Industries Limited (BFIL) requires all suppliers and vendors to adhere to its Supplier Code of Conduct and Human Rights guidelines, aligned with internationally recognized standards. BFIL enforces a zero-tolerance policy for human rights violations, closely monitoring supplier compliance through rigorous oversight.

The company actively promotes best practices in human rights within its supply chain, ensuring that all business partners meet these standards. Human rights expectations are clearly communicated during supplier onboarding and throughout their operations, covering safe working conditions, the prohibition of child and forced labor, and adherence to environmental and social standards. Contracts and agreements include provisions to safeguard these human rights requirements.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The company conducted an internal assessment across 100% of its locations.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	N.A.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights rievances/complaints.**

The Company have not received any Human Rights grievances during the Financial Year 2023-24.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

Balu Forge Industries Limited (BFIL) regularly conducts internal audits to ensure compliance with human rights standards. While no specific human rights due diligence was conducted during the reporting period, the company is committed to enhancing its human rights systems by integrating best practices and lessons learned into its guiding principles. Currently, human rights due diligence is covered as part of other compliance audits.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The majority of the company's permanent facilities and office buildings are designed to be accessible to differently-abled visitors, ensuring compliance with the Rights of Persons with Disabilities Act, 2016.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners)that were assessed
Sexual Harassment	Vendors representing 70% of key value chain partners, have been assessed for workplace discrimination through physical audits and documentation reviews. The remaining suppliers have signed a Code of Conduct addressing issues such as child labor and forced labor, and are expected to comply with its requirements.
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

The assessment of key vendors was completed in FY 2023-24, with all observations and non-conformances duly recorded. No significant risk cases were identified.

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources (in Gigajoules GJ)		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**-**	-
From renewable sources(in Gigajoules GJ)		
Total electricity consumption (D)	64,298	47,078
Total fuel consumption (E)	5,852	4,097
Energy consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	**70,150**	**51,175**
Total energy consumed (A+B+C+D+E+F) (in GJ)	**70,150**	**51,175**
Energy intensity per rupee of turnover (Total energy consumed / Revenue fromoperations ₹ in Lakhs)	1.81	1.90
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate If any Independent assessment/ evaluation/assurance has been caried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the company currently does not have any sites or facilities designated as consumers under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	UOM	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	-	-
(ii) Groundwater	KL	33,050	24,050
(iii) Third party water	KL	-	-
(iv) Seawater / desalinated water	KL	-	-
(v) Others	KL	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**KL**	**33,050**	**24,050**
Total volume of water consumption (in kilolitres)			
Water intensity per rupee of turnover (Total water consumption / Revenue from operations in ₹ lakhs)	ML/Lakh	**0.85**	**0.89**
Water intensity per rupee ofturnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	ML/Lakh	-	-
Water intensity in terms of physical output	ML/MMT	-	-
Water intensity (optional) – therelevant metric may be selected by the entity	-	-	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency: No.

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	20861	15812
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**20861**	**15812**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, we ensure full compliance with all applicable statutory obligations set by the Central and State Pollution Control Boards. In locations where zero liquid discharge is mandated, we have implemented and maintained the necessary systems to meet these requirements. At other sites, we have established mechanisms to treat sewage and effluent in accordance with statutory guidelines, with treated water being reused internally whenever possible to minimize waste. Currently, the company operates a Effluent Treatment Plant (ETP) at our manufacturing facility. Our goal is to achieve Zero Liquid Discharge across all plants by 2030.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm^3	24.5	20.7
SOx	mg/Nm^3	15.6	11.6
CO2	mg/Nm^3	43.6	50
Particulate matter (PM)	mg/Nm^3	-	-
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

Yes, environmental monitoring is conducted at various plants and project sites by agencies authorized by the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB). These agencies are authorized either by the respective State Pollution Control Boards or by the relevant clients.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG intoCO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	1,091	768
Total Scope 2 emissions (Break-up of the GHG intoCO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	12,015	8,797
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenuefrom operations ₹ in Lakhs)	Metric tons CO_2/ ₹ Lakhs	**0.34**	**0.36**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tons CO_2/ ₹ Lakhs	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	-	-
Total Scope 1 and Scope 2 emission intensity	Metric tons of CO,/manpower	29.45	26.28

8. Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: NO Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Balu Forge Industries Limited (BFIL) is dedicated to minimizing the environmental impact of its operations, with a strong emphasis on reducing greenhouse gas (GHG) emissions. The company has set a bold target to reduce GHG emissions by 20% across all manufacturing locations by 2028, with the ultimate goal of achieving net-zero emissions by 2040. To reach these objectives, BFIL has implemented several key initiatives, including the installation of solar power systems. Additionally, the company is investing in energy-efficient LED lighting, natural ventilators, and electric vehicles to further support its sustainability efforts.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0.01	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste, please specify (G) (Used Oil, Residues, Used Graese, Cotton Waste, Sludge)	17.07	15.32
Other non-hazardous waste generated (H) Please specify, if any (MS Scrap/Scale/Bur)	3,661.16	2,989.54
Total (A+ B+C+D+E+F+G+H)	**3,678.24**	**3,004.86**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT/INR in Lakhs)	0.09	0.11
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/ INR in Lakhs)*PPP	**-**	**-**
Waste intensity in terms of physical output (MT/MT)	**-**	**-**
Waste intensity (optional) — the relevant metric may be selected by the - - entity	**-**	**-**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations	3,661.16	2,989.54
Total	**3,661.16**	**2,989.54**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	17.08	15.32
Total	**17.08**	**15.32**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assurance has not been carried out by any external agency.

11. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Balu Forge Industries Limited (BFIL) is dedicated to minimizing its environmental impact through effective waste management practices, guided by the 5R principles—Reduce, Reuse, Reprocess, Recycle, and Recover. The company prioritizes the reduction of both hazardous and non-hazardous waste across its operations. Hazardous wastes are managed according to statutory requirements, with a maintained waste registry and proper disposal through authorized agencies. BFIL also strives to reduce hazardous material generation by continuously enhancing its processes.

For non-hazardous waste, BFIL emphasizes source reduction, material reuse, and recycling. Initiatives include converting biodegradable waste into manure, sending non-biodegradable waste to recyclers. Additionally, STP sludge is used as a soil conditioner. The company modernizes its plants and adopts lean manufacturing practices to improve efficiency and reduce waste. Through continuous employee education on responsible waste disposal, BFIL reinforces its commitment to sustainability and environmental stewardship, further supported by the implementation of a waste management plan across its facilities.

12. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations / offices	Types of operation	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	Not Applicable		

13. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details ofthe project	EIA NotificationNo. and Date	Whether conductedby independent external agency (Yes / No)	Results communicated in public domain(Yes / No)	Relevant web link
Not applicable				

14. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The company fully complies with all relevant environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, the Environment Protection Act, and the associated rules during the financial year 2023-24.

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been done by an external agency.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company is in the process to start data management for scope 3 emissions and hence it is not reported.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The Corporate Social Responsibility (CSR) team at Balu Forge Industries Limited (BFIL) is responsible for regularly monitoring CSR projects and actively engaging with communities in the areas of operation. Any grievances reported to the CSR team are promptly addressed and resolved in a timely manner, ensuring ongoing collaboration and support for the communities involved.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome ofthe initiative
1	Energy-Efficient Manufacturing Equipment	Upgraded to energy-efficient machinery and equipment to reduce energy consumption in production processes.	Reduced energy consumption, lower operational costs, and decreased carbon footprint.
2	Zero-Waste Manufacturing Program	Implemented a zero-waste program to minimize waste generation through recycling and reusing materials.	Diverted manufacturing waste from landfills, enhanced recycling processes, and reduced waste management costs.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, Balu Forge Industries Limited (BFIL) has an Onsite Emergency Plan & Disaster Control strategy in place to ensure business continuity during disruptive incidents. This plan is developed by benchmarking against best practices from organizations with advanced Business Continuity Management systems, ensuring robust preparedness and response measures.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No adverse impacts have been reported by any of our value chain partners. All partners have signed a distinct Code of Conduct that requires compliance with Environmental, Health, and Safety (EHS) regulations, fair labor practices, minimum wage laws, and the prohibition of child and forced labor. Every vendor has committed to these terms, and regular audits are conducted to ensure strict adherence to these standards.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

None reported. However, all supply chain participants are required to sign an agreement ensuring their compliance with all applicable laws and regulations, including environmental standards. The company plans to assess the environmental impact of its supply chain partners in the coming years.

PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. **a. Number of affiliations with trade and industry chambers/associations:** Total 5

b. List the top trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/International)
1	Automative Component Manufacturers Association of India	National
2	Indo Arab Chamber of Commerce & Industries	International
3	EEP (Formally Engineering Export Promotion Council)	National
4	Bombay Chamber of Commerce & Industry	National
5	Federation of Indian Chambers of Commerce & Industries	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Balu Forge Industries Limited (BFIL) actively engages with trade associations and regulators to advocate for public policy improvements, particularly on taxation, governance, economic reforms, and energy security. BFIL contributes to policy development through participation in committees and task forces, offering feedback and suggestions to shape and enhance regulatory frameworks for the industry.

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Balu Forge Industries Limited (BFIL) carries out its Corporate Social Responsibility (CSR) activities through various initiatives. However, the company has not conducted a Social Impact Assessment, as it is not required under the applicable laws.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

Balu Forge Industries Limited (BFIL) has a dedicated CSR team that actively monitors its projects and maintains ongoing engagement with local communities in its operational areas. The team promptly addresses and resolves any grievances that arise, ensuring effective and timely responses to community concerns.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs / small producers	26%	22%
Sourced directly from within the district and neighbouring districts	10%	11%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-urban	-	-
Urban	71%	76%
Metropolitan	29%	24%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S No.	State	Aspirational District	Amount spent (In ₹ million)
Nil			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**
No

(b) **From which marginalised/vulnerable groups do you procure?**
None in the financial year

(c) **What percentage of total procurement (by value) does it constitute?**
Not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S No.	Intellectual Property based on traditional knowledge	Owned / Acquired Yes / No	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitedfrom CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Adopt a Cancer Patient	1	100%
2	Supporting the training of high school educators to empower them to run robust career and college counseling departments	100	100%
3	Nanhi Kali	416	100%

PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Customer satisfaction is a top priority for Balu Forge Industries Limited (BFIL). The company actively engages with customers across various platforms to gather feedback and understand their expectations. Formal mechanisms, including email, are in place for customers to report grievances, ensuring timely resolutions. These trends are regularly reviewed by top management to drive continuous improvements in service quality. BFIL has an integrated management system procedure specifically designed for handling and resolving customer complaints, reflecting the company's commitment to responsive and customer-focused operations.

2. **Turnover of products/services as a percentage of turnover from all products/services that carry information about:**

The products sold by Balu Forge Industries Limited (BFIL) are fully recyclable, as they are made from metal components. However, the company does not currently estimate the environmental and social parameters related to these products as a percentage of total turnover.

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of Essential Services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	0	0	Nil	0	0	Nil

4. **Details of instances of product recalls on account of safety issues:**

No such instances were reported during the FY 2023-24 reporting period.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a Data Privacy Policy

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable

7. **Provide the following information relating to data breaches:**

a) **Number of instances of data breaches along with impact**

Zero data breaches incidents in the financial year 2023-24.

b) **Percentage of data breaches involving personally identifiable information of customers**

Not Applicable

c) **Impact, if any, of the data breaches**

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Details about Balu Forge Industries Limited's (BFIL) business can be found on its website at https://www.baluindustries.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Since Balu Forge Industries Limited (BFIL) supplies its products directly to Original Equipment Manufacturers (OEMs) and Tier 1 customers, who then assemble and deliver the final products to the end user, the company has limited opportunities to directly inform and educate the end user about the safe and responsible usage of its products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In the event of a disruption or discontinuation of essential services, consumers are promptly notified through electronic communications, phone calls, and updates on the corporate website.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, since Balu Forge Industries Limited's (BFIL) products are OEM-specific and designed according to OEM requirements, the company ensures that product details are clearly displayed on packaging, in compliance with applicable laws. This typically includes information such as the manufacturer, heat code, process number, dispatch number, and part number.

Customer response and satisfaction are top priorities for BFIL. The company engages with customers across various platforms to understand their expectations. Customer feedback is collected and compiled to identify areas of concern. Based on this feedback, corrective measures are planned and implemented. Customer satisfaction trends are regularly monitored and reviewed by top management, who provide directives for continuous improvement.

STANDALONE FINANCIAL STATEMENTS

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, 2024, 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, 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** (as described in Note 5(e) of the standalone Ind AS financial statements) Revenue from sales is recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.	In the view of the significance of the matter we addressed the key audit matter by applying the following audit procedures. **Principal Audit Procedures** 1) Considered Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.

Sr. No.	Key Audit Matter	Auditor's Response
	Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed. During the year ended March 31, 2024, the Company has recognised revenue from operation amounting to Rs 38,808.26 lakhs from sale of goods and services. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including in co-terms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	2) Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. 3) Tested samples of individual sales transaction and traced to sales invoices, sales orders, (received from customers) and other related documents. Further, in respect of the samples tested, checked recognition of revenue in accordance with the terms/ when the conditions for revenue recognitions are satisfied. **How our audit addressed the key audit matter** Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents. 1) Performed procedures to identify any unusual trends of revenue recognition. 2) Assessed the relevant disclosures made within the standalone Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Report, Chairman's report on Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information indentified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's standalone financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal standalone financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i)of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act as amended in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2024.

iv. The Management has represented that to the best of its knowledge and belief as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding whether recorded in writing or otherwise that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

v. The Management has represented that to the best of its knowledge and belief as disclosed in the notes to accounts no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies)including foreign entities ("Funding Parties") with the understanding whether recorded in writing or otherwise that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) &(b) above contain any material mis-statement.

vii. The company has not declared dividend or paid dividend during the year and has not proposed final dividend for the year.

viii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per statutory requirements for record retention.

For **M. B. Agrawal & Co.**
Chartered Accountants
(Firm's Registration No.100137W)

Leena Agrawal
Partner
(Membership No.061362)

Place: Mumbai
Date: 14th May, 2024
UDIN: 24061362BKCSKS1969

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balu Forge Industries Limited of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2024, we report the following:

i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital work- in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. According to the information and explanations given to us, the records examined by us, the Company has a program of verification to cover all the items of Property, Plant and Equipment and Capital work- in-progress in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the company) disclosed in the standalone financial statements included in Property, Plant and Equipment and capital work-in-progress are held in the name of the company as at balance sheet date except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

Immovable properties of land & buildings whose title deeds have been pledged as security for loans are held in the name of the company based on the confirmation received from the management except land mentioned in above table.

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 2024 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 us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital facility from banks or financial institutions in excess of five crore rupees on the basis of security of current assets. In our opinion, the quarterly returns or stock statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per Books of Accounts (₹ In Lakhs)	Amount as reported in the quarterly return/ statement (₹ In Lakhs)	Amount of Difference (₹ In Lakhs)
Jun-23	Union Bank of India	Inventory	6,391.50	6,475.35	83.85
Jun-23	Union Bank of India	Trade Receivables up to 90 days	5,314.32	N.A	-
Sep-23	Union Bank of India	Inventory	6,151.00	5,850.90	(300.10)
Sep-23	Union Bank of India	Trade Receivables up to 90 days	8,380.20	8,237.68	(142.52)
Dec-23	Union Bank of India	Inventory	5,761.73	6,069.65	307.92
Dec-23	Union Bank of India	Trade Receivables up to 90 days	8,479.82	8,164.60	(315.22)
Mar-24	Union Bank of India	Inventory	8,082.13	8,082.13	0.00
Mar-24	Union Bank of India	Trade Receivables up to 90 days	8,472.73	8,824.25	351.52

Note: Trade Receivable as per books of accounts Include the impact of forex restate during quarterly financial closure.

iii. 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 made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

(a) Based on the audit procedures carried by us and as per the information and explanations given to us the Company has provided loans to other entities during the year and the outstanding balance of such loans as at March 31, 2024 are given below:

	Loans (Rs in Lakhs)
A. Aggregate amount granted / provided during the year	
Subsidiaries	763.42
B. Balance outstanding as at balance sheet date in respect of above cases*	
Subsidiaries	880.63

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, the loans and the terms and conditions of granting of loans given during the year are prima facie not prejudicial to the interests of the company.

(c) According to the information and explanations given to us and on the basis of the examination of the records of the company, in respect of loans granted by the company, the loans are granted without specifying any repayment schedule are repayable back to the company on demand.

(d) According to the information and explanations given to us and on the basis of the examination of the records of the company, in respect of loans granted by the company, the loans are granted without specifying any repayment schedule and accordingly no loans have fallen due resulting in no overdue amount remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us and on the basis of the examination of the records of the company, no loan granted by the company which have fallen due during the year, has been renewed or extended, or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the company, in our opinion the company has not granted any loans and advances in the nature of loans either repayable on demand or without specifying any terms of period of repayment except for the loans as mentioned below:

	Loans (Rs in Lakhs)
Aggregate amount granted / provided during the year	
Repayable on Demand	880.63
Percentage of loans/advances & Investments in nature of loans to the total loans / total investments	96.71%

iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

v. According to the information provided to us, the Company has not accepted deposits from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder or amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the company in pursuance to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, for certain products of the company and are of the opinion that prima facie prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities with delays on some instances

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other material Statutory dues were in arrears as at 31st March 2024 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)	38,750	30/06/2022	Not Paid
Profession Tax	Profession Tax (Employees)	47,300	30/06/2023	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 & seciton 62 of the Companies Act, 2013, for preferential allotment of shares and convertible share warrants and the funds raised have been used for the purpose for which the funds were raised.

xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit, nor have we been informed of any such case by the management.

b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. According to the information and explanations given to us, there has been no whistle blower complaints received by the Company. Accordingly, clause 3 (xi)(c) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports issued to the Company during the year and covering the period upto 31st March 2024.

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 Company 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)

Place: Mumbai
Date: 14th May, 2024
UDIN: 24061362BKCSKS1969

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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, 2024 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, 2024, 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)

Place: Mumbai
Date: 14th May, 2024
UDIN: 24061362BKCSKS1969

BALANCE SHEET
AS AT 31 MARCH 2024

(₹ in Lakh)

Particulars		Notes	As at 31 March 2024	As at 31 March 2023
ASSETS				
1	**Non-current assets**			
(a)	Property, plant and equipment	6	1,896.14	992.11
(b)	Right-of-use assets	7	1.29	41.87
(c)	Capital work-in-progress	8	13,027.29	666.98
(d)	Intangible assets	9	2.47	4.86
(e)	Goodwill	9	3,254.45	3,254.45
(f)	Financial assets			
	i. Investment in subsidiaries	10	30.33	32.33
	ii. Other financial assets	11	62.31	53.11
(g)	Deferred tax assets (net)	12	377.62	211.59
(h)	Other non-current assets	13	5,499.92	1,428.26
Total non-current assets			**24,151.82**	**6,685.56**
2	**Current assets**			
(a)	Inventories	14	8,082.14	3,371.45
(b)	Financial assets			
	i. Trade receivables	15	19,058.22	19,590.91
	ii. Cash and cash equivalents	16	8,746.82	484.38
	iii. Bank balances other than cash and cash equivalents	17	293.44	275.44
	iv. Loans	18	910.55	310.23
	v. Other financial assets	19	630.83	542.88
(c)	Other current assets	20	5,644.73	3,872.06
Total current assets			**43,366.73**	**28,447.35**
Total Assets			**67,518.55**	**35,132.91**
EQUITY AND LIABILITIES				
I	**Equity**			
(a)	Equity share capital	21	10,259.19	8,336.49
(b)	Other equity	22	41,751.92	10,795.58
Total equity			**52,011.11**	**19,132.07**
II	**Liabilities**			
1	**Non-current liabilities**			
(a)	Financial liabilities			
	i. Borrowings	23	2,483.97	1,169.27
	ii. Lease liability	7	0.55	1.61
(b)	Provisions	24	92.66	82.26
Total non-current liabilities			**2,577.18**	**1,253.14**
2	**Current liabilities**			
(a)	Financial liabilities			
	i. Borrowings	25	2,393.56	3,964.09
	ii. Lease liability	7	1.06	52.22
	iii. Trade payables due to Micro and small enterprises	26	52.65	37.45
	Others than micro and small enterprises		7,853.28	5,698.87
	iv. Other financial liabilities	27	898.24	3,600.45
(b)	Other current liabilities	28	53.39	229.42
(c)	Provisions	29	16.22	12.57
(d)	Current tax liability (net)		1,661.86	1,152.63
Total current liabilities			**12,930.26**	**14,747.70**
Total Equity and Liabilities			**67,518.55**	**35,132.91**

The above Balance Sheet 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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakh)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
I. Income			
i. Revenue from operations	30	38,808.26	26,905.83
ii. Other income	31	1,062.72	1,280.68
Total Income		**39,870.98**	**28,186.51**
II. Expenses			
i. Cost of materials consumed		28,899.94	18,725.79
ii. Changes in inventories of finished goods, stock in trade and work-in-progress	32	(4,392.96)	(413.56)
iii. Employee benefits expense	33	779.34	603.28
iv. Depreciation and amortisation expense	34	148.18	119.42
v. Finance costs	35	1,361.09	1,047.83
vi.Other expenses	36	4,343.43	3,739.08
Total Expenses		**31,139.02**	**23,821.84**
III. Profit before tax (I-II)		**8,731.96**	**4,364.67**
IV. Exceptional items		-	-
V. Profit before tax (III-IV)		**8,731.96**	**4,364.67**
VI. Tax expense			
i. Prior period tax		185.13	159.32
ii. Current tax	37	2,000.00	1,225.00
iii. Deferred tax		(167.67)	(219.08)
VII. Profit after tax (V–VI)		**6,714.50**	**3,199.43**
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 and investments	38	1.64	11.98
ii. Income tax effect on such items		(0.41)	(3.02)
Total other comprehensive income/(loss) for the year, net of tax		**1.23**	**8.96**
IX. Total comprehensive income for the year, net of tax (VII + VIII)		**6,715.73**	**3,208.39**
X. Earnings per equity share of ₹ 10 each:			
i. Basic (in ₹)	39	7.02	3.84
ii. Diluted (in ₹)		6.98	3.84

The above Balance Sheet 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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

A. **EQUITY SHARE CAPITAL**

(₹ in Lakh)

Particulars	No. of Shares	Amount
As at 1 April 2022	**8,23,14,886.00**	**8,231.49**
Changes in equity share capital during the year	10,50,000.00	105.00
As at 31 March 2023	**8,33,64,886.00**	**8,336.49**
Changes in equity share capital during the year	1,92,27,014.00	1,922.70
As at 31 March 2024	**10,25,91,900.00**	**10,259.19**

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	
As at 1 April 2022	**105.00**	**3,940.42**	**3,731.38**	**(84.62)**	**7,692.18**
Net income / (loss) for the year	-	-	3,199.43	-	**3,199.43**
Share warrants redeemed	(105.00)	-	-	-	**(105.00)**
Other comprehensive income	-	-	-	8.96	**8.96**
As at 31 March 2023	**-**	**3,940.42**	**6,930.81**	**(75.66)**	**10,795.58**
As at 1 April 2023	**-**	**3,940.42**	**6,930.81**	**(75.66)**	**10,795.58**
Net income / (loss) for the year	-	-	6,714.50	-	**6,714.50**
Securities premium credited on Share issue	-	21,978.64	-	-	**21,978.64**
Share warrants issued	2,295.00	-	-	-	**2,295.00**
Share issue expenses	-	(33.02)	-	-	**(33.02)**
Other comprehensive income	-	-		1.23	**1.23**
As at 31 March 2024	**2,295.00**	**25,886.04**	**13,645.31**	**(74.43)**	**41,751.92**

The above Balance Sheet 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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
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Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakh)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		8731.96		4,364.67
Adjustment for:				
Income Tax Expenses	(2,017.46)		(1,165.24)	
Depreciation & amortisation expense	148.18		119.42	
Interest income	(320.23)		(3.21)	
Finance costs (net)	1,361.09		1,047.83	
Expected credit loss allowance	748.29	(80.13)	925.81	924.61
Operating profit before working capital changes		**8,651.83**		**5,289.28**
Adjustment for:				
(Increase)/decrease in inventories	(4,710.69)		708.27	
(Increase)/decrease in trade receivables	(215.60)		(7,493.64)	
(Increase)/decrease in other receivables	(2,688.55)		(779.67)	
Increase/(decrease) in trade and other payables	60.98		2,722.78	
Increase/(decrease) in provisions	14.05	(7,539.81)	5.42	(3,277.50)
Cash flow from operations		**1,112.02**		**2,011.78**
Income taxes paid (net of refund received)		(275.00)		25.00
Net cash generated from operating activities		**837.02**		**2,036.78**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment, intangible asstes	(17,441.21)		(1,576.39)	
including under development and capital advances				
Net cash used in investing activities		**(17,441.21)**		**(1,576.39)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital and share warrants	26,163.32		-	
Proceeds/ (repayment) of long-term borrowings (net)	1,314.70		426.38	
Proceeds/ (repayment) of short-term borrowings (net)	(1,570.53)		55.43	
Interest income	320.23		3.21	
Finance costs (net)	(1,361.09)		(1,047.83)	
Net cash used in financing activities		**24,866.63**		**(562.81)**
Net increase in cash and cash equivalents (A+B+C)		**8,262.44**		**(102.42)**
Cash and cash equivalents at the beginning of the year		484.38		586.80
Cash and cash equivalents at the end of the year		**8,746.82**		**484.38**

Components of cash and cash equivalents at the end of the year

Cash on hand		43.21	2.64
Balance in current account and deposits with banks		8703.61	481.74
Cash and cash equivalents at the end of the year		**8,746.82**	**484.38**

Reconciliation of liabilities arising from financing activities:

Particulars	As at 31 March 2023	Cash flows	Interest accrued/ adjustments	As at 31 March 2024
Borrowings	5,133.36	(895.93)	640.10	4,877.53
Lease liabilities	53.83	(54.71)	2.49	1.61
Total liabilities from financing activities	**5,187.19**	**(950.64)**	**642.59**	**4,879.14**

Particulars	As at 31 March 2022	Cash flows	Interest accrued/ adjustments	As at 31 March 2023
Borrowings	4,651.52	(80.15)	561.96	5,133.36
Lease liabilities	87.72	(50.04)	16.15	53.83
Total liabilities from financing activities	**4,739.24**	**(130.19)**	**578.11**	**5,187.19**

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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 National Stock Exchange and Bombay Stock Exchange in India.

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

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates –amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12.
- The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
- 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.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company’s accounting policy already complies with the new mandatory treatment.

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 2024, 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’).

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).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, fair value of plan assets within scope the of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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 (₹), 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.

5. MATERIAL ACCOUNTING POLICIES

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 derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

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	useful life
1	Software	5

Depreciation & amortization

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Company has redefined the useful life / residual value of assets acquired on business succession in accordance with the terms and conditions set out in the Business Succession Agreement dated 3 August 2020. On the basis of detailed technical analysis , taking into account the nature of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which is depicted in below mentioned table.

Sr. No.	Asset Head	Useful life
1	Plant & Machinery	15
2	Office Equipment	5
3	Computers	3
4	Motor Vehicle	8-10
5	Electrical Installation	10
6	Factory building	30
7	Furniture & Fixtures	10
8	Computers - Server & Networks	6

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than it's 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. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses,

if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the

determination of the profit or loss on disposal.

c. 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

d. 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.

e. 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. sale of services

Revenue from sale of Services

Revenue from services is recognised in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers and when control transfers and the company/s performance obligation are satisfied.

Income from Export Benefits and Other Incentives Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

iii. 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. (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

f. 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 3 years 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.

g. Foreign Currency Transactions

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.

h. 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.

i. 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.

j. 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a

third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

k. 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.

l. Financial instruments – initial recognition, subsequent measurement and impairment

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual

provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the

acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade Receivables that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly

discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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.

i. Cash and cash equivalents - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

ii. Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of certain equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or longterm strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognized when the right to receive payment has been established.

Impairment of financial assets

The Company recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

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 fina ncial 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.

m. 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.

n. 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.

o. 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.

p. 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.

q. Exceptional items

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

r. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Key sources of estimation uncertainty

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

b. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed. Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

c. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

d. Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Motor Vehicles	Office Equipments	Furniture& Fixture	Computers	Total Assets
Gross Carrying Amount									
As at 1 April 2022	**0.83**	**91.10**	**737.07**	**28.44**	**145.64**	**11.24**	**6.84**	**1.66**	**1022.82**
Additions	-	19.02	111.01	-	36.91	1.62	-	2.86	171.43
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**0.83**	**110.12**	**848.08**	**28.44**	**182.55**	**12.86**	**6.84**	**4.52**	**1,194.25**
Additions	446.55	1.47	7.56	-	457.93	52.30	33.66	11.25	1,010.70
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2024	**447.38**	**111.59**	**855.64**	**28.44**	**640.48**	**65.16**	**40.50**	**15.77**	**2,204.95**
Accumulated dpreciation									
As at 1 April 2022	**-**	**5.78**	**73.39**	**5.40**	**34.13**	**3.23**	**1.28**	**0.96**	**124.17**
Depreciation charge for the year	-	2.88	47.96	2.70	20.49	2.26	0.65	1.03	77.97
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**-**	**8.66**	**121.35**	**8.10**	**54.62**	**5.49**	**1.93**	**1.99**	**202.14**
Depreciation charge for the year	-	3.18	54.10	2.71	34.61	7.50	2.07	2.50	106.67
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2024	**-**	**11.85**	**175.45**	**10.81**	**89.23**	**13.00**	**3.96**	**4.48**	**308.81**
Net book value									
As at 31 March 2024	**447.38**	**99.74**	**680.19**	**17.63**	**551.25**	**52.16**	**36.50**	**11.29**	**1,896.14**
As at 31 March 2023	**0.83**	**101.46**	**726.74**	**20.34**	**127.94**	**7.37**	**4.91**	**2.54**	**992.11**

1. Property, plant and equipment having net carrying amount aggregating ₹1,896.14 Lakhs as on 31 March 2024 (₹992.11 Lakhs as at March 31, 2023), which are hypothecation / pledged as security for borrowings - Refer Notes 23.1 and 25

2. The title deeds of all the immovable properties are held in the name of the Company, except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

3. Disclosure of contractual commitments for acquisition of property, plant and equipment is provided in note no 45

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

(₹ in Lakh)

Particulars	Building
Right-of-use assets as on 1 April 2022	**78.57**
Additions	3.83
Deductions	-
Amortisation expense	(40.53)
At 31 March 2023	**41.87**
Additions	-
Deductions	-
Amortisation expense	(40.58)
At 31 March 2024	**1.29**

Particulars	Building
Lease liabilities as on 1 April 2022	**87.72**
Additions	-
Deduction	-
Interest accrued	16.15
Lease payments	(50.04)
At 31 March 2023	**53.83**
Additions	-
Deduction	-
Interest accrued	2.49
Lease payments	(54.71)
At 31 March 2024	**1.61**
Short term lease liability	**1.06**
Long term lease liability	**0.55**

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 31 March 2024	As at 31 March 2023
Opening Balance	**666.98**	**666.98**
Addition during the year	12,360.31	-
Capitalisation during the year	-	-
Closing Balance	**13,027.29**	**666.98**

Particulars	As at 31st March 2024				
	Amount of Capital Work-in-progress for a period of				
	Less than1 year	1 to 2 Year	2 to 3 Year	More than3 year	Total
Projects in progress at Belgaum Unit	12,360.31	-	666.98	-	13,027.29
Projects temporarily suspended	-	-	-	-	-
Total	**12,360.31**	**-**	**666.98**	**-**	**13,027.29**

Particulars	As at 31st March 2023				
	Amount of Capital Work-in-progress for a period of				
	Less than 1year	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	-	-	-	-	-
Total	-	**666.98**	-	-	**666.98**

9. INTANGIBLE ASSETS AND GOODWILL

(₹In Lakh)

Particulars	#Goodwill	Computer Software	Total
Cost			
As at 1 April 2022	**3,254.45**	**4.86**	**3,259.31**
Additions	-	1.46	1.46
Disposals	-	-	
As at 31 March 2023	**3,254.45**	**6.32**	**3,260.77**
Additions			
Disposals		1.46	1.46
As at 31 March 2024	**3,254.45**	**4.86**	**3,259.31**
Accumulated amortization			
As at 1 April 2022	**-**	**0.54**	**0.54**
Amortisation	-	0.92	0.92
Disposals	-		
As at 31 March 2023	**-**	**1.46**	**1.46**
Amortisation		0.93	0.93
Disposals			
As at 31 March 2024		**2.39**	**2.39**
Net book value :			
As at 31 March 2024	**3,254.45**	**2.47**	**3,256.92**
As at 31 March 2023	**3,254.45**	**4.86**	**3,259.31**

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 2024 as the recoverable value of the cash generating unit exceeded the carrying value.

10. INVESTMENT IN SUBSIDIARIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balu Advanced Technologies & Systems Pvt Ltd(10,000 Fully paid Equity Shares of ₹10/- each)	1.00	1.00
Naya Energy Works Pvt. Ltd. (10,000 Fully paid Equity Shares of ₹10/- each)	1.00	1.00
Safa Otomotiv FZ-LLC (150 Fully paid Equity Shares of AED 1000/- each)	30.33	30.33
Less - Provision for impairment in value of investments.	(2.00)	-
Total	**30.33**	**32.33**

11. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	62.31	53.11
Total	**62.31**	**53.11**

12. 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 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2024
Property, plant and equipment	(38.85)	(17.66)	-	(56.51)
Provisions for employee benefits	23.87	4.44	(0.91)	27.40
Lease liabilities	3.00	(2.92)	-	0.08
Impairment of Financial Assets	223.57	182.58	0.50	406.65
Total	**211.59**	**167.67**	**(0.41)**	**377.62**

(In Lakh)

Deferred tax balance in relation to	As at 31 March 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2023
Property, plant and equipment	(29.28)	(9.57)	-	(38.85)
Provisions for employee benefits	22.51	4.38	(3.02)	23.87
Lease liabilities	2.30	0.70	-	3.00
Impairment of Financial Assets	-	223.57	-	223.57
Total	**(4.47)**	**219.08**	**(3.02)**	**211.59**

13. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	5,499.92	1,428.26
Total	**5,499.92**	**1,428.26**

14. INVENTORIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and components (At lower of cost or net realisable value)	633.57	315.84
Work-in-progress (At lower of cost or net realisable value)	2,360.28	1,038.70
Finished goods (At lower of cost or net realisable value)	5,088.27	2,016.91
Total	**8,082.14**	**3,371.45**

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 2024	As at 31 March 2023
Trade receivables considered good - Unsecured	20,673.82	20,481.97
Less: Allowance for expected credit loss	(1,615.60)	(891.06)
Discounted Trade Receivables	5,559.16	6,570.02
Total Trade Receivables	**24,617.38**	**26,160.93**
Less: Bills Payable against Discounted Trade Receivables	(5,559.16)	(6,570.02)
Total	**19,058.22**	**19,590.91**

In determining the allowances for credit losses of Trade Receivables, the Company has used a practical expedient by computing the Expected Credit Loss Allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Expected Credit Loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

i. Since the Company calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents Lifetime Expected Credit Loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the discolsure for all such Trade Receivables is made as shown above.
ii. Trade receivables have been given as security against certain bank borrowings, details relating to which has been described in note no. 25.
iii. Trade receivables does not include any receivables from directors and officers of the company.
iv. Balance confirmation from customers was called for by the Company. The company has received few confirmations, balance are awaited.

Reconciliation of Credit Loss allowance:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	891.06	97.92
Allowance for expected credit loss	829.59	891.06
Release during the year	(105.05)	(63.17)
Bad Debts	-	(34.75)
Balance at the end of the year	**1,615.60**	**891.06**

Ageing for Trade Receivables outstanding is as follows:

(in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on31st March 2024					
		Less than6 Months	6 Months To1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3Year	Total
Considered Good – Unsecured							
Undisputed		13,890.03	5,855.72	928.07	-	-	**20,673.82**
Disputed							
Total		**13,890.03**	**5,855.72**	**928.07**	**-**	**-**	**20,673.82**
Less: - Allowance for expected credit loss							(1,615.60)
Total							**19,058.22**

(in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on31st March 2023					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
Considered Good – Unsecured							
Undisputed		11,033.25	8,686.26	762.46	-	-	**20,481.97**
Disputed							
Total		**11,033.25**	**8,686.26**	**762.46**	**-**	**-**	**20,481.97**
Less: - Allowance for expected credit loss							(891.06)
Total							**19,590.91**

16. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks in current accounts	8,703.61	481.74
Cash on hand	43.21	2.64
Total	**8,746.82**	**484.38**

17. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with Banks		
In term deposit accounts with maturity more than 3 months	292.37	274.37
Unpaid dividend	1.07	1.07
Total	**293.44**	**275.44**

18. LOANS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Loans & advances – Related parties (refer note 46)	880.63	279.82
Loans & advances – Employees	29.92	30.41
Total	**910.55**	**310.23**

Disclosure required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in Lakh)

Particulars	Loans (interest bearing) outstanding	Maximum amount outstanding during the year
Safa Otomotiv FZ – LLC		
As at March 31, 2024	880.63	1,016.06
As at March 31, 2023	279.82	441.47

The above loans have been given for business purpose.

The Company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

19. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Export benefits and entitlements	200.74	113.31
Security deposits	406.88	407.14
Others	23.21	22.43
Total	**630.83**	**542.88**

20. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	41.53	7.67
Advances to suppliers*	3,774.77	1,929.43
GST Receivable	863.97	773.93
Others	964.46	1,161.03
Total	**5,644.73**	**3,872.06**

* 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 2024		As at 31 March 2023	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
Authorised:				
Equity Shares:				
Equity shares of ₹10/- each	11,00,00,000	11,000.00	9,00,00,000	9,000.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of ₹10/- each	10,25,91,900.00	10,259.19	8,33,64,886	8,336.49
Total	**10,25,91,900.00**	**10,259.19**	**8,33,64,886**	**8,336.49**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
At the beginning of the year	8,33,64,886	8,336.49	8,23,14,886	8,231.49
Issued during the year	1,62,27,000	1,622.70	-	-
Issued during the year (Conversion of Warrants into Equity Shares)	30,00,014	300.00	10,50,000	105.00
Outstanding at the end of the year	**10,25,91,900**	**10,259.19**	**8,33,64,886**	**8,336.49**

The Board of Directors of the company on 26 July 2023 had issued and allotted 1,37,27,000 Equity Shares to Non-Promoter Public Category and 30,00,014 convertible Warrants to Promoter group of the Company aggregating to ₹19,311.34/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹115.45/- (Rupees One Hundred Fifteen and Forty-Five Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

Further the Board of Directors had approved the conversion of 30,00,014 warrants into 30,00,014 Equity shares which were issued and allotted to the Promoters on 4th September 2023.

Furthermore, the Board of Directors of the company on 06th October, 2024 had issued and allotted 25,00,000 Equity Shares to Non-Promoter Public Category aggregating to ₹4,590/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹183.60/- (Rupees One Hundred Eighty Three and Sixty Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

So, as on the date of signing of Directors Report the Paid-up Equity Share Capital was ₹1,02,59,19,000/- divided into 10,25,91,900 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 2024		As at 31 March 2023	
	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	53.06%	5,44,40,010	65.30%
Tano Investment Opportunities Fund	-	-	51,90,000	6.23%

D. The details of promoter's shareholding are as under

Name of the promoter	As at 31 March 2024			As at 31 March 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Equity shares of 10/- each fully paid						
Mr. Jaspal Singh Chandock	54,440,010	53.06%	-12.24%	54,440,010	65.30%	-0.84%
Mr. Trimaan Chandock	1,543,032	1.50%	1.41%	75,900	0.09%	0.00%
Mr. Jaikaran Chandock	1,543,032	1.50%	1.49%	10,150	0.01%	0.00%
Total	**57,526,074**	**56.07%**	**-9.33%**	**54,526,060**	**65.40%**	**-0.84%**

E. Information regarding issue of Equity Shares during last five years

i. No bonus share has been issued.

ii. No share has been bought back.

F. No Shares held in Abeyance

22. OTHER EQUITY

(₹ in Lakh)

Particulars	Share warrants	Reserves and surplus		Other comprehensive income	Total equity
		Securities premium	Retained earnings / (losses)	Remeasurements of defined benefit obligations	
As at 1 April 2022	**105.00**	**3,940.42**	**3,731.38**	**(84.62)**	**7,692.18**
Net income / (loss) for the year	-	-	3,199.43	-	**3,199.43**
Share warrants redeemed	(105.00)	-	-	-	**(105.00)**
Other comprehensive income	-	-	-	8.96	**8.96**
As at 31 March 2023	**-**	**3,940.42**	**6,930.81**	**(75.66)**	**10,795.58**
As at 1 April 2023	**-**	**3,940.42**	**6,930.81**	**(75.66)**	**10,795.58**
Net income / (loss) for the year	-	-	6,714.50	-	**6,714.50**
Securities premium credited on Share issue	-	21,978.64	-	-	**21,978.64**
Issue of Share issued	2,295.00	-	-	-	**2,295.00**
Share issue expenses	-	(33.02)	-	-	**(33.02)**
Other comprehensive income	-	-		1.23	**1.23**
As at 31 March 2024	**2,295.00**	**25,886.04**	**13,645.31**	**(74.43)**	**41,751.92**

Note :

- The Board of Directors of the company on 26 July 2023 had issued and allotted 1,37,27,000 Equity Shares to Non-Promoter Public Category and 30,00,014 convertible warrants to Promoter group of the Company aggregating to ₹19,311.34/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹115.45/- (Rupees One Hundred Fifteen and Forty-Five Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

- Further the Board of Directors had approved the conversion of 30,00,014 warrants into 30,00,014 Equity shares which were issued and allotted to the Promoters on 4th September 2023.

- Furthermore, the Board of Directors of the Company on 06th October, 2023 had issued and allotted 25,00,000 Equity Shares to Non- Promoter Public Category and 50,00,000 Convertible Warrants to Promoter group of the Company aggregating to ₹4,590/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹183.60/- (Rupees One Hundred Eighty Three and Sixty Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

23. BORROWINGS (AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Term loan (secured)		
- Term loans from banks	1927.61	795.83
- Term loans from financial institutions	51.64	101.05
- Term loans from other parties	504.72	272.38
Total	**2,483.97**	**1,169.27**

23.1 Interest and repayment schedule for secured long term borrowings

(₹ in Lakh)

Type of loan	Loan outstanding as at 31 March 2024			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans from bank							
ICICI Bank Limited -Business Loan	0.06	-	0.06	40.00	17%	Equated monthly installment for 36 months starting from 6 November 2021	Post dated cheques
HDFC Bank Limited -Business Loan	-	6.17	6.17	50.00	17%	Equated monthly installment for 36 months starting from 5 November 2021	Post dated cheques
Union Bank of India - Vehicle Loans	61.95	22.87	84.82	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.
Union Bank of India - Term Loan	1,532.32	665.65	2,197.97	2,920.00	9.25 - 11.50%	Equated monthly installment for 60 months and interest to the loan account to be serviced as & when debited to the account.	₹700.00 Lakh secured against the hypothecation of underlying company Machine and ₹1,497.97 Lakh is Sanctioned under UGECL scheme
Total (A)	**1,594.34**	**694.68**	**2,289.02**	**3,125.60**			
Term loans financial institutions							
LIC - Term Loan	51.64	-	51.64	200.00	9%	Principal Repayment at the time of maturity of LIC Policy	LIC Policy of Mr. Jaspalsingh Chandock
Total (B)	**51.64**	**-**	**51.64**	**200.00**			
Term loans from other parties							
Fedbank Financial Services Limited-Business Loan	1.06	-	1.06	30.00	18%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Jain Sons Finlease Ltd. - Business Loan	2.33	-	2.33	40.00	20%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Shriram City Finance Ltd. - Business Loan	0.86	-	0.86	35.00	19%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Tata Capital Financial ServicesLtd. - Vehicle Loan	0.55	-	0.55	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.

Type of loan	Loan outstanding as at 31 March 2024			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Axis Bank Ltd - Vehicle Loans	333.27	77.12	410.39	433.93	8.65 - 9.55%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying company owned vehicles.
PNB Housing Ltd. -Business Loan	470.84	34.29	505.13	650.00	11%	Equated monthly installments as per specific repayment schedule predetermined	Secured against the third party property
Protium	29.09	34.49	63.58	100.00	13.50%	Equated monthly installments as per specific repayment schedule predetermined	Secured against the hypothecation of underlying company own machineries
Total (C)	**838.00**	**145.90**	**983.90**	**1,339.62**			
Grand TOTAL (A+B+C)	**2,483.97**	**840.58**	**3,324.56**	**4,665.22**			

24. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (refer note 44)	92.66	82.26
Total	**92.66**	**82.26**

25. BORROWINGS (CURRENT, AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Working capital loans from bank (secured)		
Packing Credit Limit	1,552.97	3,343.33
Current maturity of long-term debt	840.59	620.76
Total	**2,393.56**	**3,964.09**

Working capital loans from bank (secured)

i. Short-term working capital loan of ₹1,552.97 lakhs (As at March 31, 2023 ₹3,343.33 lakhs) secured by hypothecation of stock & book debts. The interest rates were in the ranges from 7.00% to 9.25% p.a.

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions generally are in agreement with the books of accounts with minor difference on account of provisional figures recorded while submission of statements of current assets to the bank.

26. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
- total outstanding dues of micro and small enterprises;	52.65	37.45
- total outstanding dues of creditors other than micro and small enterprises	7,853.28	5,698.87
Total	**7,905.93**	**5,736.32**

i. Disclosure with respect to related party transactions is given in note 46.

ii. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount remaining unpaid to supplier as at the end of accounting year	52.65	37.45
The interest due thereon remaining unpaid to supplier as at the end of accounting year.	0.72	-
The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.72	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	0.72	-

iii. Ageing for Trade Payables outstanding is as follows:

(₹ in Lakh)

Particulars	Outstanding from due date of payment as on 31st March 2024				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	52.65				**52.65**
(ii) Others	7,724.94				**7,724.94**
(iii) Disputed dues - MSME	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	128.34	**128.34**
Total	**7,777.59**	**-**	**-**	**128.34**	**7,905.93**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on 31st March 2023				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	37.45	-	-	-	**37.45**
(ii) Others	5,570.53				**5,570.53**
(iii) Disputed dues - MSME					
(iv) Disputed dues – Others			-	128.34	**128.34**
Total	**5607.98**	-	**-**	**128.34**	**5,736.32**

27. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from related parties (refer note 45)	-	1,269.44
Other payables	898.24	2,331.01
Total	**898.24**	**3,600.45**

28. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance against orders	-	44.05
Unpaid dividend payable	0.74	0.74
Statutory dues payable	52.65	184.63
Total	**53.39**	**229.42**

29. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (refer note 44)	16.22	12.57
Total	**16.22**	**12.57**

30. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Deemed Export turnover	14,177.73	3,766.64
Export turnover	23,959.10	22,498.11
Other operating revenues		
Export benefits and entitlements income	671.43	641.08
Total	**38,808.26**	**26,905.83**

31. OTHER INCOME

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on foreign currency transactions and translation	569.43	1,253.98
Interest received	320.23	3.21
Other income	173.06	23.49
Total	**1,062.72**	**1,280.68**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Work in Progress - Opening	1,038.70	1,531.22
Work in Progress – Closing	2,360.28	1,038.70
	(1,321.58)	**492.52**
Finished Goods (Mfg.) - Opening	2,016.91	1,110.83
Finished Goods (Mfg.) - Closing	5,088.29	2,016.91
	(3,071.38)	**(906.08)**
Total Change in Inventories	**(4,392.96)**	**(413.56)**

33. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	553.05	388.49
Contribution to provident and other funds	27.21	25.19
Director remuneration	117.20	114.90
Gratuity expense (refer note 43)	22.28	20.37
Staff welfare expenses	59.60	54.33
Total	**779.34**	**603.28**

34. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment (Refer note 6)	106.67	77.97
Amortisation of intangible assets (Refer note 9)	0.93	0.92
Amortisation of right to use assets (Refer note 7)	40.58	40.43
Total	**148.18**	**119.42**

35. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on borrowings	872.95	637.01
Interest expense of lease liabilities	2.50	12.31
Other borrowing costs	40.60	12.98
Other financial charges	445.04	385.53
Total	**1,361.09**	**1,047.83**

36. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Repairs and maintenance	289.51	120.90
Rent	108.67	109.15
Rates and taxes	158.72	32.78
Insurance	14.39	11.33
Legal and professional fees	142.19	108.05
Travelling & conveyance expenses	439.46	472.14
Audit fees	9.88	6.43
Security charges	39.68	33.13
Foreign exchange Fluctuation Loss	-	421.58
Electricity Charges Office	6.36	-
Freight forwarding and distribution expenses	418.83	595.50
Forward Contract Gain/Loss	75.30	-
Loss on sale of machinery	-	3.95
Advertisement and sales promotion expenses	1,716.03	685.28
Miscellaneous expenses	27.56	89.41
CSR expenses	101.04	93.99
Donation	28.96	3.04
Postage and telephone	13.08	14.63
Printing and stationery	5.48	11.98
Provision for doubtful debts	724.54	891.06
Bad Debts	23.75	34.75
Total	**4,343.43**	**3,739.08**

Note:

A) Auditor's remuneration (excluding taxes):

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit fees including limited review	6.00	5.00
Tax Audit Fees	1.00	1.00
Other Services	2.88	0.43
Total	**9.88**	**6.43**

37. INCOME TAX

Indian companies are subject to Indian income tax. For each financial year, the entity profit and loss is subject to the regular income tax payable.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 22% plus a surcharge of 10% and education cess 4%.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Current Tax	2,000.00	1,225.00
Deferred tax liabilities (Net)	(167.67)	(219.08)
(Excess) / short provision of tax of earlier years	185.13	159.32
Total tax expense	**2,017.46**	**1,165.24**

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 2024	As at 31 March 2023
Profit before tax	**8,731.96**	**4,364.67**
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory rate	2,197.83	1098.59
Tax effect of amounts which are deductible / not deductible in calculating taxable income	180.37	66.65
Income tax expense for the year	**2,017.46**	**1,165.24**
Effective income tax rate	**23.10%**	**26.70%**

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.

38. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement gains (losses) on defined benefit plans and investment, not to reclassified to profit and loss account	1.64	11.98
Income tax effect	(0.41)	(3.02)
Total	**1.23**	**8.96**

39. EARNINGS PER SHARE (EPS)

Particulars	2023-24	2022-23
Face Value of Equity Share	₹10	₹10
Profit attributable to equity shareholders (₹ in Lakh) (A)	**6,714.50**	**3,199.43**
Weighted average number of equity shares for basic EPS (B)	**9,56,59,478**	**8,32,57,977**
Effect of dilution:		
Total weighted average potential equity shares	5,12,100	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	**9,61,71,577**	**8,32,57,977**
Basic EPS (Amount in ₹) (A/B)	**7.02**	**3.84**
Diluted EPS (Amount in ₹) (A/C)	**6.98**	**3.84**

40. 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 2024	For the year ended 31 March 2023
Revenue expenditure charged to profit and loss account	114.76	103.97

41. SEGMENT REPORTING

The Company is in the business of manufacturing of steel forging products having similar economic characteristics. The company and its Chief Operating Decision Maker (CODM) reviews steel forging business as the only segment and takes decision based on the demand and supply in forging business. Thus, as per Ind AS 108, the business activities fall within a single primary segment i.e. manufacturing and selling Steel Forging Products.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

a) Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31March 2024	For the year ended 31 March 2023
Deemed Export	14,177.73	3,766.64
Export	24,630.53	23,139.19
Total	**38,808.26**	**26,905.83**

b) Non-current assets

All Non-Current assets of the company are located in India.

42. ADDITIONAL REGULATORY INFORMATION

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

a) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

c) The Company has a Working Capital limit of ₹10,100 Lakhs from Union Bank of India, comprising of Fund-based limits of ₹7,600 Lakhs and non-fund-based limits of ₹2,500 Lakhs. For the said facility, the Company has submitted Stock and debtors statement to the bank on monthly basis as also the Quarterly Information Statements. The average difference is not material and is less than 1% of amount of stock and debtors, which is on account of valuation, provisions, etc.

d) The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

e) The Company does not have any transactions with struck-off companies.

f) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period except in case of one lender where outstanding balance as on 31.st March 2024 is ₹63.56 lakhs, charge is pending on account of certain procedural formalities..

g) The Company has compiled with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

h) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

j) The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l) Ratios

Particulars	Numerator	Denominator	Year Ended 31 March 2024	Year Ended 31 March 2023	% Variance	Reason for Variance
Current Ratio	Current assets	Current liabilities	3.35	1.93	74%	The increase in the current ratio is attributed to the inflow of funds from the fresh equity capital raised by the company.
Debt-Equity Ratio	Total debt	Shareholder's Equity	0.09	0.27	-65%	The debt-to-equity ratio improved due to the fresh equity capital raised by the company.
Debt Service Coverage Ratio	Profit before Tax, Exceptional Items, Depreciation, Interest cost	Interest Cost + Long Term Borrowings scheduled 'principal repayments (excluding prepayments / refinancing) 'during the year)	5.68	4.04	41%	Debt Service Coverage Ratio improved due to improved profitability
Return on Equity Ratio	[Net Profits after taxes]	Average Shareholder's Equity	0.19	0.18	3%	
Inventory Turnover Ratio (In Days)	Revenue From Operations	Average Inventory	53	50	7%	
Trade Receivables Turnover Ratio (In Days)	Revenue From Operations	Average Accounts Receivable	179	218	-18%	
Trade payables turnover ratio (In Days)	Net Credit Purchases	Average Trade Payables	84	105	-20%	
Net Capital Turnover Ratio	Revenue From Operations	Working Capital	1.28	1.96	-35%	Net Capital Turnover Ratio improved on account of better working capital management
Net Profit Ratio %	Net Profit	Revenue From Operations	17%	12%	46%	The net profit percentage improved due to a favorable product mix and the implementation of various cost-cutting measures by the company.
Return on Capital Employed %	Earnings before interest and taxes (EBIT)	Capital Employed	17%	21%	-18%	
*Return on Investment	Earnings before interest and taxes (EBIT)	Average Total Assets	19%	16%	19%	

* The Company is not holding any Treasury investments.

43. FINANCIAL INSTRUMENTS

1.1 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 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets Measured at amortised cost						
Loans			910.55	-	-	310.23
Trade receivables			19,058.22	-	-	19,590.91
Cash and cash equivalents			8,746.82	-	-	484.38
Bank balances other than cash and cash equivalents			293.44	-	-	275.44
Other financial assets			630.83	-	-	542.88
Total financial assets at amortised cost			**29,639.86**	-	-	**21,203.84**
Financial liabilities Measured at amortised cost						
Borrowings						
Long term Borrowings			2,483.97	-	-	1,169.27
Short term Borrowings			2,393.56	-	-	3,964.09
Trade payables			7,905.93	-	-	5,736.32
Other financial liabilities			898.24	-	-	3,600.45
Total financial liabilities carried at amortised cost			**13,681.70**	-	-	**14,470.13**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

Particulars	For the year ended 31March 2024		For the year ended 31 March 2023	
	Carrying cost	Amortised Cost	Carrying cost	Amortised Cost
Non-current financial assets				
Investments in equity shares	30.33	30.33	32.33	32.33
Other Financial Assets	62.31	62.31	53.11	53.11
Non current financial liabilities				
Borrowings	2483.97	2483.97	1169.27	1169.27
Lease liabilities	0.55	0.55	1.61	1.61

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

1.2 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 ₹16,232.98 lakhs outstanding As at 31 March 2024 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 2024

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Financial assets				
Trade receivables	18,119.61	938.61	-	19,058.22
Other financial assets	4,645.15		880.63	5,525.78
Total financial assets (A)	**22,764.76**	**938.61**	**880.63**	**24,584.00**
Financial liabilities				
Trade payables	-	-	-	
Other financial liabilities	-	-	-	-
Total financial liabilities (B)	-	-	-	-
Net Exposure (A-B)	**22,764.76**	**938.61**	**880.63**	**24,584.00**

Foreign Currency exposure as at 31 March 2023

Particulars	USD*	EURO*	AED*	Total
Financial assets				
Trade receivables	18,822.77	769.76		19,592.52
Other financial assets			310.15	310.15
Total financial assets (A)	**18,822.77**	**769.76**	**310.15**	**19,902.67**
Financial liabilities				
Trade payables	3.58	-	-	3.58
Other financial liabilities	-	-	-	-
Total financial liabilities (B)	**3.58**	**-**	**-**	**3.58**
Net Exposure (A-B)	**18,819.19**	**769.76**	**310.15**	**19,899.09**

*unhedged currency position

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Particulars	Increase (strengthening of ₹)		Decrease (weakening of ₹)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Receivable				
USD/INR	(227.65)	(188.23)	227.65	188.23
EUR/INR	(9.39)	(7.69)	9.39	7.69
AED/INR	(8.81)	(3.10)	8.81	3.10
Payable				
USD/INR	-	0.04	-	(0.04)

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 2024	As at 31 March 2023
Fixed rate borrowings	2,034.61	2,016.34
Floating rate borrowings	2,842.93	3,117.02
Total borrowings	**4,877.53**	**5,133.36**

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 2024 would decrease / increase by ₹28.43 Lakhs (for the year ended 31 March 2023: decrease / increase by ₹31.17 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 2024

(₹ in Lakhs)

Particulars	<1year	1-5years	>5 years	Total
Financial assets				
Non-current investments		30.33		30.33
Trade receivables	18,449.65	608.57	-	19,058.22
Cash and cash equivalents	8,746.82			8,746.82
Bank balances other than cash and cash equivalents	293.44			293.44
Loans	600.32	310.23		910.55
Other financial assets	87.95	542.88		630.83
Total financial assets	**28,178.18**	**1,492.01**		**29,670.19**
Financial liabilities				
Long term borrowings	840.59	2,483.97	-	3,324.56
Short term borrowings	1,552.97			1,552.97
Trade payables	7,777.59	128.34	-	7,905.93
Other financial liabilities	898.24	0.55		898.79
Total financial liabilities	**11,069.39**	**2,612.86**	-	**13,682.25**

Liquidity exposure as at 31 March 2023

(₹ in Lakhs)

Particulars	<1year	1-5Years	>5 years	Total
Financial assets				
Non-current investments		32.33		32.33
Trade receivables	19,590.91			19,590.91
Cash and cash equivalents	484.38			484.38
Bank balances other than cash and cash equivalents	275.44			275.44
Loans	310.23			310.23
Other financial assets	542.88	53.11		595.99
Total financial assets	**21,203.84**	**85.44**		**21,289.28**
Financial liabilities				
Long term borrowings	620.76	1,169.27		1,790.03
Short term borrowings	3,343.33			3,343.33
Trade payables	5,736.32			5,736.32
Other financial liabilities	3,652.67	1.61		3,654.28
Total financial liabilities	**13,353.08**	**1,170.88**		**14,523.96**

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 2024	As at 31 March 2023
Long term borrowings	2,483.97	1,169.27
Current maturities of long term debt and finance lease obligations	840.59	620.76
Short term borrowings	1,552.97	3,343.33
Less: Cash and cash equivalent	(8,746.82)	(484.38)
Less: Bank balances other than cash and cash equivalents	(293.44)	(275.44)
Net debt	**-**	**4,373.54**
Total equity	**52,011.11**	**19,132.07**
Gearing ratio	**-**	**0.23**

i. Equity includes all capital and reserves of the Company that are managed as capital.
ii. Debt is defined as long and short term borrowings, as described in notes 23 and 25.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

44. EMPLOYEE BENEFIT OBLIGATIONS

a. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund recognised in statement of profit and loss of ₹21.80 Lakhs (31 March 2023:₹19.99) (included in note 33).

b. Defined benefit plans

The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, all employees are entitled to Gratuity Benefits on exit from service due to retirement, resignation or death at the rate of 15 days' salary for each year of service with payment ceiling of ₹20 lakhs. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at 31 March 2024 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	
	2024	2023
Defined Benefit obligation at beginning of year	**94.83**	**89.41**
Current Service Cost	11.86	10.69
Interest Cost	7.04	6.71
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-	-
- Due to Change in Financial Assumptions	3.38	(5.28)
- Due to Experience	(8.24)	(6.70)
Benefits paid	-	-
Defined Benefit obligation at year end	**108.88**	**94.83**

ii. Expenses recognised in statement of profit and loss account

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2024	2023
Current Service Cost	11.86	10.69
Net Interest Cost	7.04	6.71
Component of defined benefit cost recognised in statement of profit and loss	**18.91**	**17.40**
Remeasurement of net defined benefit liability		
Actuarial (gain)/loss on defined benefit obligation	(4.86)	(11.98)
Component of defined benefit cost recognised in other comprehensive income	**(4.86)**	**(11.98)**

iii. Actuarial assumptions

(₹ in Lakhs)

Description	Gratuity as on 31 March	
	2024	2023
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate (p.a.)	7.10%	7.50%
Attrition Rate	5% to 1%	5% to 1%
Retirement age	58.00	58
Rate of escalation in salary (p.a.)	6.00%	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	
	2024	2023
Present value of obligation	108.88	94.83
Net liability / (asset) arising from defined benefit obligation	**108.88**	**94.83**

v. Sensitivity Analysis – Gratuity

(₹ in Lakhs)

Particulars	2023-24	2022-23
Projected Benefit Obligation on Current Assumptions	108.88	94.83
Discount Rate - 1 percent increase	100.29	87.78
Discount Rate - 1 percent decrease	118.92	103.04
Salary Escalation Rate - 1 percent increase	118.93	103.08
Salary Escalation Rate - 1 percent decrease	100.13	87.62
Withdrawal Rate - 1 percent increase	109.66	95.23
Withdrawal Rate - 1 percent decrease	108.00	94.42

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

vi. Maturity analysis of projected benefit obligation

(₹ in Lakhs)

Particulars	Less than a year	Between 1 to 5 years	Between 6 to 10 years	Total
As at 31 March 2024				
Projected benefit payable	16.22	28.37	54.87	**99.46**
As at 31 March 2023				
Projected benefit payable	12.57	31.01	51.90	**95.49**

45. CONTINGENT LIABILITIES AND LEGAL CASES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank guarantee	-	-

Capital Commitments

Estimated amount of contract remaining to be executed on capital account, net of advances is ₹5,499.92 lakhs (Previous year ₹1,428.26 lakhs).

46. RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS 24 "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

a) List of Related Parties

Subsidiaries

Safa Otomotiv FZ – LLC
Naya Energy Works Private Limited
Balu Advanced Technologies & Systems Private Limited
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 2024)

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. Amit Todkari - Chief Financial Officer (CFO) we.f. 10th May 2023
Ms.Tabassum Begum – Company Secretaryw.e.f. 10th June 2023

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)

b) **Details of transactions with related parties**

(₹ in Lakhs)

Name of related party/Nature of Transaction	2023-24	2022-23
Director's Remuneration		
Mr. Jaspalsingh Chandock	72.00	72.00
Mr. Trimaan Chandock	18.00	18.00
Mr. Jaikaran Chandock	18.00	18.00
Sitting fees		
Mr. Raghavendra Raj Mehta	3.20	2.30
Ms. Shalu Bhandari	3.00	2.30
Mr. Radheshyam Soni	3.00	2.30
Salary		
Mr. Mitesh Dani	-	2.00
Mr.Akash Joshi	-	6.75
Mr. Amit Todkari	14.12	-
Ms. Tabassum Begum	6.84	-
Rent paid – Hotel Imperial Palace (I)	51.84	48.00
Rent deposit – Hotel Imperial Palace (I)	0.00	0.00
Expenses on behalf of Hotel Imperial Palace (I)	5.02	33.26
Reimbursement of Expenses paid to Mr.Jaspal Singh Chandock	4.00	3.91
Expenses on behalf of Mr.Jaspal Singh Chandock	206.37	124.60
Expenses on behalf of Mr.Jaikaran Chandock	2.42	0.00
Reimbursement of Expenses paid to Mr.Jaikaran Chandock	0.17	-
Expenses on behalf of Mr.Trimaan Chandock	0.60	-
Loans given		
Loan given to Safa Otomotiv FZ – LLC	763.42	218.45
Interest Income		
Interest on Loan given to Safa Otomotiv FZ – LLC	39.74	13.24
Loan repayment received		
Loan repaid by Safa Otomotiv FZ – LLC	202.35	108.08
Sales		
Safa Otomotiv FZ – LLC	-	1,093.53
Advance received		
Mr. Jaspalsingh Chandock	3,980.99	1,935.21
Hotel Imperial Palace (I)		221.14
Interest paid on advance received		
Mr. Jaspalsingh Chandock	88.09	
Advance re-paid		
Mr. Jaspalsingh Chandock	5,270.74	1,213.59
Hotel Imperial Palace (I)	-	221.14

Name of related party/Nature of Transaction	2023-24	2022-23
Outstanding balance at the end of the year		
Mr. Jaspalsingh Chandock (Cr.)	-	1,289.75
Equity shares of Naya Energy Works Pvt. Ltd.	-	1.00
Equity shares of Balu Advanced Technologies & Systems Pvt Ltd	-	1.00
Safa Otomotiv FZ – LLC (Loan -Dr.)	880.63	279.82
Safa Otomotiv FZ – LLC (Trade Receivable-Dr.)	782.25	782.25
Safa Otomotiv FZ – LLC (Investment in Equity Shares)	30.33	30.33
Mr. Trimaan Chandock (Cr.) – Remuneration Payable	-	5.14
Mr.Jaikaran Chandock (Cr.) – Remuneration Payable	-	19.48
Mr.Akash Joshi (Cr.) – Salary Payable	-	0.60
Mr. Amit Todkari	1.28	-
Ms. Tabassum Begum	0.83	-

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 2024

47. Previous period figures have been regrouped / recasted / reclassified wherever necessary.

48. The Company has approved its financial statements in its board meeting dated May 14, 2024.

Signatures to Notes 1 to 48 which form an integral part of financial statements.

The above Balance Sheet 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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
Balu Forge Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Balu Forge Industries Limited** (herein referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, 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, 2024, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information indentified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i)of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in(i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements

   (d) In our opinion, the aforesaid consolidated financial statements comply with the IndAS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management form directors of its subsidiaries which are incorporated in India, as on 31st March 2024, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries incorporated in India during the year ended 31st March, 2024.

      iv. The respective Board of Directors of the Companies and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that to the best of their knowledge and belief as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v. The respective Board of Directors of the Companies and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that to the best of their knowledge and belief as disclosed in the notes to accounts no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) &(b) above contain any material mis-statement.

vii. The company has not declared dividend or paid dividend during the year and has not proposed final dividend for the year.

viii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per statutory requirements for record retention.

2. With respect to the matters specified in the paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("The Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, and Auditors report issued by the respective auditors of the subsidiaries, incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **M. B. Agrawal & Co.**
Chartered Accountants
(Firm's Registration No.100137W)

Leena Agrawal
Partner
(Membership No.061362)

Place: Mumbai
Date: 14th May, 2024
UDIN: 24061362BKCSKT2099

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(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 conjuction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, 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, 2024, 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)

Place: Mumbai
Date: 14th May, 2024
UDIN: 24061362BKCSKT2099

CONSOLIDATED BALANCE SHEET
As at 31 March 2024

(₹ in Lakh)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	6	2,417.07	1,528.55
(b) Right-of-use assets	7	1.29	41.87
(c) Capital work-in-progress	8	13,027.29	666.98
(d) Intangible assets	9	2.47	4.86
(e) Goodwill	9	3,254.45	3,254.45
(f) Financial assets			
i. Other financial assets	10	62.31	53.11
(g) Deferred tax assets (net)	11	377.62	211.59
(h) Other non-current assets	12	2,804.02	1,428.26
Total non-current assets		**21,946.52**	**7,189.67**
2 **Current assets**			
(a) Inventories	13	8,946.66	3,482.16
(b) Financial assets			
i. Trade receivables	14	21,849.74	21,052.04
ii. Cash and cash equivalents	15	8,793.99	514.54
iii. Bank balances other than cash and cash equivalents	16	293.44	275.44
iv. Loans	17	29.92	117.31
v. Other financial assets	18	639.77	546.95
(c) Other current assets	19	8,746.02	3,897.59
Total current assets		**49,299.54**	**29,886.03**
Total Assets		**71,246.06**	**37,075.70**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	20	10,259.19	8,336.49
(b) Other equity	21	45,037.14	11,426.51
Total equity		**55,296.33**	**19,763.00**
II Liabilities			
1 **Non-current liabilities**			
(a) Financial liabilities			
i. Borrowings	22	2,483.97	1,169.27
ii. Lease liability	7	0.55	1.61
(b) Provisions	23	92.66	82.26
Total non-current liabilities		**2,577.18**	**1,253.14**
2 **Current liabilities**			
(a) Financial liabilities			
i. Borrowings	24	2,393.56	3,964.09
ii. Lease liability	7	1.06	52.22
iii. Trade payables due to Micro and small enterprises	25	52.65	37.45
Others than micro and small enterprises		8,005.28	6,512.92
iv. Other financial liabilities	26	1,189.59	4,098.26
(b) Other current liabilities	27	52.33	229.42
(c) Provisions	28	16.22	12.57
(d) Current tax liability (net)		1,661.86	1,152.63
Total current liabilities		**13,372.55**	**16,059.56**
Total Equity and Liabilities		**71,246.06**	**37,075.70**

The above Balance Sheet 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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2024

(₹ in Lakh)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
I. Income			
i. Revenue from operations	29	55,985.58	32,663.89
ii. Other income	30	1,041.47	1,264.59
Total Income		**57,027.05**	**33,928.48**
II. Expenses			
i. Cost of materials consumed		42,780.75	23,048.53
ii. Changes in inventories of finished goods, stock in trade and work-in-progress	31	(5,149.23)	(368.80)
iii. Employee benefits expense	32	1,348.33	797.78
iv. Depreciation and amortisation expense	33	205.45	132.68
v. Finance costs	34	1,363.80	1,053.16
vi.Other expenses	35	5,093.65	4,208.60
Total Expenses		**45,642.75**	**28,871.95**
III. Profit before tax (I-II)		**11,384.30**	**5,056.53**
IV. Exceptional items		-	-
V. Profit before tax (III-IV)		**11,384.30**	**5,056.53**
VI. Tax expense			
i. Prior period tax		185.13	159.32
ii. Current tax	36	2,000.00	1,225.00
iii. Deferred tax		(168.17)	(219.08)
VII. Profit after tax (V–VI)		**9,367.34**	**3,891.29**
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	3.64	11.98
ii. Income tax effect on such items		(0.92)	(3.02)
Total other comprehensive income/(loss) for the year, net of tax		**2.72**	**8.96**
IX. Total comprehensive income for the year, net of tax (VII + VIII)		**9,370.06**	**3,900.25**
X. Earnings per equity share of ₹ 10 each:			
i. Basic (in ₹)		9.80	4.67
ii. Diluted (in ₹)	38	9.74	4.67

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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	No. of Shares	Amount
As at 1 April 2022	**8,23,14,886.00**	**8,231.49**
Changes in equity share capital during the year	10,50,000.00	105.00
As at 31 March 2023	**8,33,64,886.00**	**8,336.49**
Changes in equity share capital during the year	1,92,27,014.00	1,922.70
As at 31 March 2024	**10,25,91,900.00**	**10,259.19**

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	
As at 1 April 2022	**105.00**	**3,940.42**	**3,670.45**	**(84.62)**	**7,631.25**
Net income / (loss) for the year	-	-	3,891.29	-	3,891.29
Share warrants redeemed	(105.00)	-	-	-	**(105.00)**
Other comprehensive income	-	-	-	8.96	**8.96**
As at 31 March 2023	**-**	**3,940.42**	**7,561.74**	**(75.66)**	**11,426.51**
As at 1 April 2023	**-**	**3,940.42**	**7,561.74**	**(75.66)**	**11,426.51**
Net income / (loss) for the year	-	-	9,367.34	-	**9,367.34**
Securities premium credited on Share issue	-	21,978.64	-	-	**21,978.64**
Share warrants issued	2,295.00	-	-	-	**2,295.00**
Share issue expenses	-	(33.02)	-	-	**(33.02)**
Other comprehensive income	-	-		2.72	**2.72**
As at 31 March 2024	**2,295.00**	**25,886.04**	**16,929.08**	**(72.94)**	**45,037.14**

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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Lakh)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		11,384.30		5,056.53
Adjustment for:				
Income Tax Expenses	(2,016.96)		(1,165.24)	
Depreciation & amortisation expense	205.45		132.68	
Interest income	(320.23)		(3.21)	
Finance costs (net)	1,363.80		1,053.16	
Expected credit loss allowance	864.48	96.54	1020.10	1,037.49
Operating profit before working capital changes		**11,480.84**		**6,094.02**
Adjustment for:				
(Increase)/decrease in inventories	(6,305.23)		750.57	
(Increase)/decrease in trade receivables	(821.45)		(9,176.28)	
(Increase)/decrease in other receivables	(5,047.09)		899.79	
Increase/(decrease) in trade and other payables	(843.52)		4,017.21	
Increase/(decrease) in provisions	14.05	(13,003.24)	5.42	(3,503.29)
Cash flow from operations		**(1,522.40)**		**2,590.73**
Income taxes paid (net of refund received)		(275.00)		25.00
Net cash generated from operating activities		**(1,797.40)**		**2,615.73**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment, intangible asstes	(14,787.07)		(2,124.81)	
including under development and capital advances				
Net cash used in investing activities		**(14,787.07)**		**(2,124.81)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital and share warrants	26,163.32		-	
Proceeds/ (repayment) of long-term borrowings (net)	1,314.70		426.38	
Proceeds/ (repayment) of short-term borrowings (net)	(1,570.53)		55.43	
Interest income	320.23		3.21	
Finance costs (net)	(1,363.80)		(1,053.16)	
Net cash used in financing activities		**24,863.92**		**(568.14)**
Net increase in cash and cash equivalents (A+B+C)		**8,279.45**		**(77.22)**
Cash and cash equivalents at the beginning of the year		514.54		591.76
Cash and cash equivalents at the end of the year		**8,793.99**		**514.54**

Components of cash and cash equivalents at the end of the year

Cash on hand		77.79		2.64
Balance in current account and deposits with banks		8,716.20		511.90
Cash and cash equivalents at the end of the year		**8,793.99**		**514.54**

Reconciliation of liabilities arising from financing activities:

(₹ in Lakh)

Particulars	As at 31 March 2023	Cash flows	Interest accrued/ adjustments	As at 31 March 2024
Borrowings	5,133.36	(895.93)	640.10	4,877.53
Lease liabilities	53.83	(54.71)	2.49	1.61
Total liabilities from financing activities	**5,187.19**	**(950.64)**	**642.59**	**4,879.14**

Particulars	As at 31 March 2022	Cash flows	Interest accrued/ adjustments	As at 31 March 2023
borrowings	4,651.52	(80.15)	561.96	5,133.36
Lease liabilities	87.72	(50.04)	16.15	53.83
Total liabilities from financing activities	**4,739.24**	**(130.19)**	**578.11**	**5,187.119**

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

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 including its three wholly owned subsidiaries is herein after together referred to as the 'Group'. The Group is a preferred supplier of crankshafts to OEMs in India and around the world with manufacturing facilities at Belagavi (Karnataka) and Dubai.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

New standards adopted by the Group:

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction –amendments to Ind AS 12
- The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
- 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.

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the new mandatory treatment.

3. 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 from time to time and disclosure requirement of Division II of revised 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 2024. 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').

4. 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).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, fair value of plan assets within scope the of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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.

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.

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.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company looses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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. Unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

The following subsidiaries have been considered in preparation of the consolidated financial statements:

Name of Company	Country of incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2024	As at March 31, 2023
Safa Otomotive FZ – LLC	Dubai	100%	100%
Naya Energy Works Private Limited	India	100%	100%
Balu Advanced Technologies & Systems Private Limited	India	100%	100%

5. MATERIAL 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.

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.	Asset Head	Useful life
1	Software	5

Depreciation & amortization

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Company has redefined the useful life / residual value of assets acquired on business succession in accordance with the terms and conditions set out in the Business Succession Agreement dated 3 August 2020. on the basis of detailed technical analysis, taking into account the nature of the asset, the operating conditions of the asset, history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which is depicted in below mentioned table.

Sr. No.	Asset Head	Useful life
1	Plant & Machinery	15
2	Office Equipment	5
3	Computers	3
4	Motor Vehicle	8-10
5	Electrical Installation	10
6	Factory building	30
7	Furniture & Fixtures	10
8	Computers - Server & Networks	6

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

b. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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. sale of services

Revenue from sale of Services

Revenue from services is recognised in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers and when control transfers and the company/s performance obligation are satisfied.

Income from Export Benefits and Other Incentives Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

iii. 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. (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

e. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company 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.

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.

Short-term leases and leases of low-value 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 3 years or less.

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

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 or production of qualifying assets, which are assets that necessarily takes substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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, postretirement 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, postretirement 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 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

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade Receivables that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(I) Financial assets

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

Cash and bank balances consist of:

i. **Cash and cash equivalents** - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

ii. **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of certain equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognized when the right to receive payment has been established.

Impairment of financial assets

The Company recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

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 shortterm loan and borrowings, trade and other payables and other eligible current and noncurrent 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 liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

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.

l. 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.

p. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Key sources of estimation uncertainty

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

b. Impairment of investments in subsidiaries

Determining whether the investments in subsidiaries are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation, operating margins, discount rates and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

c. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

d. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

e. Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

q. Exceptional items

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Plant & Machinery	Electrical Installation	Motor Vehicles	Office Equipments	Furniture& Fixture	Computers	Total Assets
Gross Carrying Amount									
As at 1 April 2022	**0.83**	**91.10**	**737.07**	**28.44**	**145.64**	**11.24**	**6.84**	**1.66**	**1022.82**
Additions	-	19.02	660.71	-	36.91	1.62	-	2.86	721.13
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**0.83**	**110.12**	**1,397.78**	**28.44**	**182.55**	**12.86**	**6.84**	**4.52**	**1,743.95**
						-			
Additions	446.51	1.47	41.91	-	457.93	52.30	33.66	11.25	1,045.01
Disposals	-	-	-	-	-	-	-	-	-
Adjustments*			7.41						7.41
As at 31 March 2024	**447.34**	**111.59**	**1,447.10**	**28.44**	**640.48**	**65.16**	**40.50**	**15.77**	**2,796.37**
Accumulated depreciation									
As at 1 April 2022	**-**	**5.78**	**73.39**	**5.40**	**34.13**	**3.23**	**1.28**	**0.96**	**124.17**
Depreciation chargefor the year	-	2.88	61.22	2.70	20.49	2.26	0.65	1.03	91.23
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**-**	**8.66**	**134.61**	**8.10**	**54.62**	**5.49**	**1.93**	**1.99**	**215.40**
Depreciation chargefor the year	-	3.18	111.37	2.71	34.61	7.50	2.03	2.50	163.91
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2024	**-**	**11.85**	**245.98**	**10.81**	**89.23**	**13.00**	**3.96**	**4.48**	**379.30**
Net book value									
As at 31 March 2024	**447.34**	**99.74**	**1,201.12**	**17.63**	**551.25**	**52.16**	**36.54**	**11.29**	**2,417.07**
As at 31 March 2023	**0.83**	**101.46**	**1,263.18**	**20.34**	**127.94**	**7.37**	**4.91**	**2.54**	**1,528.55**

*Adjustments represent foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

1. Property, plant and equipment having net carrying amount aggregating Rs.1,896.14 Lakhs as on 31 March 2024 (Rs.992.11 Lakhs as at March 31, 2023), which are hypothecation / pledged as security for borrowings - Refer Notes 23.1 and 25

2. The title deeds of all the immovable properties are held in the name of the Company, except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	**Reason for not being held in the name of the Company**
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

3. Disclosure of contractual commitments for acquisition of property, plant and equipment is provided in note no 45

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

(₹ in Lakh)

Particulars	Building
Right-of-use assets as on 1 April 2022	**78.57**
Additions	3.83
Deductions	-
Amortisation expense	(40.53)
At 31 March 2023	**41.87**
Additions	-
Deductions	-
Amortisation expense	(40.58)
At 31 March 2024	**1.29**

Particulars	Building
Lease liabilities as on 1 April 2022	**87.72**
Additions	-
Deduction	-
Interest accrued	16.15
Lease payments	(50.04)
At 31 March 2023	**53.83**
Additions	-
Deduction	-
Interest accrued	2.49
Lease payments	(54.71)
At 31 March 2024	**1.61**
Short term lease liability	**1.06**
Long term lease liability	**0.55**

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 31 March 2024	As at 31 March 2023
Opening Balance	**666.98**	**666.98**
Addition during the year	12,360.31	-
Capitalisation during the year	-	-
Closing Balance	**13,027.29**	**666.98**

Particulars	As at 31st March 2024				
	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	12,360.31	-	666.98	-	13,027.29
Projects temporarily suspended	-	-	-	-	-
Total	**12,360.31**	**-**	**666.98**	**-**	**13,027.29**

Particulars	As at 31st March 2023				
	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	-	-	-	-	-
Total	-	**666.98**	-	-	**666.98**

9. INTANGIBLE ASSETS AND GOODWILL

(₹ In Lakh)

Particulars	#Goodwill	Computer Software	Total
Cost			
As at 1 April 2022	**3,254.45**	**4.86**	**3,259.31**
Additions	-	1.46	1.46
Disposals	-	-	
As at 31 March 2023	**3,254.45**	**6.32**	**3,260.77**
Additions			
Disposals		1.46	1.46
As at 31 March 2024	**3,254.45**	**4.86**	**3,259.31**
Accumulated amortization			
As at 1 April 2022	**-**	**0.54**	**0.54**
Amortisation	-	0.92	0.92
Disposals	-		
As at 31 March 2023	**-**	**1.46**	**1.46**
Amortisation		0.93	0.93
Disposals			
As at 31 March 2024		**2.39**	**2.39**
Net book value :			
As at 31 March 2024	**3,254.45**	**2.47**	**3,256.92**
As at 31 March 2023	**3,254.45**	**4.86**	**3,259.31**

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 2024 as the recoverable value of the cash generating unit exceeded the carrying value.

10. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	62.31	53.11
Total	**62.31**	**53.11**

11. 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 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2024
Property, plant and equipment	(38.85)	(17.66)	-	(56.51)
Provisions for employee benefits	23.87	4.45	(0.92)	27.40
Lease liabilities	3.00	(2.92)	-	0.08
Impairment of Financial Assets	223.57	183.08	-	406.65
Total	**211.59**	**168.17**	**(0.92)**	**377.62**

(₹ In Lakh)

Deferred tax balance in relation to	As at 31 March 2022	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2023
Property, plant and equipment	(29.28)	(9.57)	-	(38.85)
Provisions for employee benefits	22.51	4.38	(3.02)	23.87
Lease liabilities	2.30	0.70	-	3.00
Impairment of Financial Assets	-	223.57	-	223.57
Total	**(4.47)**	**219.08**	**(3.02)**	**211.59**

12. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	2,804.02	1,428.26
Total	**2,804.02**	**1,428.26**

13. INVENTORIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and components (at lower of cost or net realisable value)	633.57	315.84
Work-in-progress (at lower of cost or net realisable value)	2360.28	1,038.70
Finished goods (at lower of cost or net realisable value)	5,952.81	2,127.62
Total	**8,946.66**	**3,482.16**

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 2024	As at 31 March 2023
Trade receivables considered good – Unsecured	23,465.34	21,943.10
Less: Allowance for expected credit loss	(1,615.60)	(891.06)
Discounted Trade Receivables	5,559.16	6,570.02
Total Trade Receivables	**27,408.90**	**27,622.06**
Less: Bills Payable against Discounted Trade Receivables	(5,559.16)	(6,570.02)
Total	**21,849.74**	**21,052.04**

In determining the allowances for credit losses of Trade Receivables, the Company has used a practical expedient by computing the Expected Credit Loss Allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Expected Credit Loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

i. Since the Company calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents Lifetime Expected Credit Loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the discolsure for all such Trade Receivables is made as shown above.

ii. Trade receivables have been given as security against certain bank borrowings, details relating to which has been described in note no. 24.

iii. Trade receivables does not include any receivables from directors and officers of the company.

iv. Balance confirmation from customers was called for by the Company. The company has received few confirmations, balance are awaited.

Reconciliation of Credit Loss allowance:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	891.06	97.92
Allowance for expected credit loss	829.59	891.06
Release during the year	(105.05)	(63.17)
Bad Debts	-	(34.75)
Balance at the end of the year	**1,615.60**	**891.06**

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 2024					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than 3 Year	Total
Considered Good – Unsecured							
Undisputed	-	16,681.55	5,855.72	928.07	-	-	23,465.34
Disputed	-	-	-	-	-	-	-
Total	**-**	**16,681.55**	**5,855.72**	**928.07**	**-**	**-**	**23,465.34**
Less: - Allowance for expected credit loss							(1,615.60)
Total							**21,849.74**

(₹ in Lakh)

Particulars	Not Due	Outstanding from following periods from due date of payment as on31st March 2023					
		Less than 6 Months	6 Months To 1Year	1 Year To 2 Year	2 Year To 3 Year	More than3 Year	Total
Considered Good – Unsecured							
Undisputed	–	12,494.39	8,686.26	762.46	-	-	**21,943.10**
Disputed	–	–	–	–	–	–	–
Total	-	12,494.39	8,686.26	762.46	-	-	21,943.10
Less: - Allowance for expected credit loss							**(891.06)**
Total							**21,052.04**

15. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks in current accounts	8,716.20	511.90
Cash on hand	77.79	2.64
Total	**8,793.99**	**514.54**

16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with Banks		
In term deposit accounts with maturity more than 3 months	292.37	274.37
Unpaid dividend	1.07	1.07
Total	**293.44**	**275.44**

17. LOANS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Loans & advances – Employees	29.92	30.41
Loans & advances – Others	-	86.90
Total	**29.92**	**117.31**

18. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Export benefits and entitlements	200.74	43.48
Security deposits	415.79	411.19
Others	23.24	92.28
Total	**639.77**	**546.95**

19. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	95.58	30.33
Advances to suppliers	6,822.00	1,932.27
GST Receivable	863.97	773.93
Others	964.47	1,161.06
Total	**8,746.02**	**3,897.59**

20. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
Authorised:				
Equity Shares:				
Equity shares of ₹10/- each	11,00,00,000	11,000.00	9,00,00,000	9,000.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of ₹10/- each	10,25,91,900.00	10,259.19	8,33,64,886	8,336.49
Total	**10,25,91,900.00**	**10,259.19**	**8,33,64,886**	**8,336.49**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of shares	₹ in Lakh	No of shares	₹ in Lakh
At the beginning of the year	8,33,64,886	8,336.49	8,23,14,886	8,231.49
Issued during the year	1,62,27,000	1,622.70	-	-
Issued during the year (Conversion ofWarrants into Equity Shares)	30,00,014	300.00	10,50,000	105.00
Outstanding at the end of the year	**10,25,91,900**	**10,259.19**	**8,33,64,886**	**8,336.49**

The Board of Directors of the company on 26 July 2023 had issued and allotted 1,37,27,000 Equity Shares to Non-Promoter Public Category and 30,00,014 convertible convertible Warrants to Promoter group of the Company aggregating to ₹19,311.34/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹115.45/- (Rupees One Hundred Fifteen and Forty-Five Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

Further the Board of Directors had approved the conversion of 30,00,014 warrants into 30,00,014 Equity shares which were issued and allotted to the Promoters on 4th September 2023

Furthermore, the Board of Directors of the Company on 06th October, 2023 had issued and allotted 25,00,000 Equity Shares to Non-Promoter Public Category aggregating to ₹ 4,950/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹183.60/- (Rupees One Hundred Eighty Three and Sixty Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

As on 31st March 2024 the Paid-up Equity Share Capital was ₹ 1,02,59,19,000/- divided into 10,25,91,900 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 2024		As at 31 March 2023	
	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	53.06%	5,44,40,010	65.30%
Tano Investment Opportunities Fund	-	-	51,90,000	6.23%

E. The details of promoter's shareholding are as under

Name of the promoter	As at 31 March 2024			As at 31 March 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Equity shares of ₹ 10/- each fully paid						
Mr. Jaspal Singh Chandock	5,44,40,010	53.06%	(12.24%)	5,44,40,010	65.30%	(0.84%)
Mr. Trimaan Chandock	15,43,032	1.50%	1.41%	75,900	0.09%	0.00%
Mr. Jaikaran Chandock	15,43,032	1.50%	1.49%	10,150	0.01%	0.00%
Total	**5,75,26,074**	**56.07%**	**(9.33%)**	**5,45,26,060**	**65.40%**	**(0.84%)**

F. Information regarding issue of Equity Shares during last five years

i. No bonus share has been issued.

ii. No share has been bought back.

G. 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	
As at 1 April 2022	**105.00**	**3,940.42**	**3,670.45**	**(84.62)**	**7,631.25**
Net income / (loss) for the year	-	-	3,891.29	-	3,891.29
Share warrants redeemed	(105.00)	-	-	-	**(105.00)**
Other comprehensive income	-	-	-	8.96	**8.96**
As at 31 March 2023	**-**	**3,940.42**	**7,561.74**	**(75.66)**	**11,426.51**
As at 1 April 2023	**-**	**3,940.42**	**7,561.74**	**(75.66)**	**11,426.51**
Net income / (loss) for the year	-	-	9,367.34	-	**9,367.34**
Securities premium credited on Share issue	-	21,978.64	-	-	**21,978.64**
Share warrants issued	2,295.00	-	-	-	**2,295.00**
Share issue expenses	-	(33.02)	-	-	**(33.02)**
Other comprehensive income	-	-		2.72	**2.72**
As at 31 March 2024	**2,295.00**	**25,886.04**	**16,929.08**	**(72.94)**	**45,037.14**

Note :

The Board of Directors of the company on 26 July 2023 had issued and allotted 1,37,27,000 Equity Shares to Non-Promoter Public Category and 30,00,014 convertible Warrants to Promoter group of the Company aggregating to ₹ 19,311.34/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹115.45/- (Rupees One Hundred Fifteen and Forty-Five Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

Further the Board of Directors had approved the conversion of 30,00,014 warrants into 30,00,014 Equity shares which were issued and allotted to the Promoters on 4th September 2023.

Furthermore, the Board of Directors of the Company on 06th October, 2023 had issued and allotted 25,00,000 Equity Shares to Non-Promoter Public Category and 50,00,000 Convertible Warrants to Promoter group of the Company aggregating to ₹4,590/- lakh issued for cash of ₹10/- (Rupees Ten Only) each at an issue price of ₹183.60/- (Rupees One Hundred Eighty Three and Sixty Paise Only) on preferential basis in terms of Chapter V of SEBI (ICDR) Regulations, 2018.

22. BORROWINGS (AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Term loan (secured)		
- Term loans from banks	1,927.61	795.83
- Term loans from financial institutions	51.64	101.05
- Term loans from other parties	504.72	272.38
Total	**2,483.97**	**1,169.27**

22.1 Interest and repayment schedule for secured long term borrowings (₹ in Lakh)

Type of loan	Loan outstanding as at 31 March 2024			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans from bank							
ICICI Bank Limited -Business Loan	0.06	-	0.06	40.00	17%	Equated monthly installment for 36 months starting from 6 November 2021	Post dated cheques
HDFC Bank Limited -Business Loan	-	6.17	6.17	50.00	17%	Equated monthly installment for 36 months starting from 5 November 2021	Post dated cheques
Union Bank of India - Vehicle Loans	61.95	22.87	84.82	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.
Union Bank of India - Term Loan	1,532.32	665.65	2,197.97	2,920.00	9.25 - 11.50%	Equated monthly installment for 60 months and interest to the loan account to be serviced as & when debited to the account.	Rs.700.00 Lakh secured against the hypothecation of underlying company Machine and Rs.1,497.97 Lakh is Sanctioned under UGECL scheme
Total (A)	**1,594.34**	**694.68**	**2,289.02**	**3,125.60**			
Term loans financial institutions							
LIC - Term Loan	51.64	-	51.64	200.00	9%	Principal Repayment at the time of maturity of LIC Policy	LIC Policy of Mr. Jaspalsingh Chandock
Total (B)	**51.64**	**-**	**51.64**	**200.00**			
Term loans from other parties							
Fedbank Financial Services Limited-Business Loan	1.06	-	1.06	30.00	18%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Jain Sons Finlease Ltd. - Business Loan	2.33	-	2.33	40.00	20%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Shriram City Finance Ltd. - Business Loan	0.86	-	0.86	35.00	19%	Equated monthly installments as per specific repayment schedule predetermined	Unsecured
Tata Capital Financial ServicesLtd. - Vehicle Loan	0.55	-	0.55	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.

Type of loan	Loan outstanding as at 31 March 2024			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Axis Bank Ltd - Vehicle Loans	333.27	77.12	410.39	433.93	8.65 - 9.55%	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying company owned vehicles.
PNB Housing Ltd. -Business Loan	470.84	34.29	505.13	650.00	11%	Equated monthly installments as per specific repayment schedule predetermined	Secured against the third party property
Protium	29.09	34.49	63.58	100.00	13.50%	Equated monthly installments as per specific repayment schedule predetermined	Secured against the hypothecation of underlying company owned machineries
Total (C)	**838.00**	**145.90**	**983.90**	**1,339.62**			
Grand TOTAL (A+B+C)	**2,483.97**	**840.58**	**3,324.56**	**4,665.22**			

23. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (refer note 43)	92.66	82.26
Total	**92.66**	**82.26**

24. BORROWINGS (CURRENT, AT AMORTISED COST)

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Working capital loans from bank (secured)		
Packing Credit Limit	1,552.97	3,343.33
Current maturity of long-term debt	840.59	620.76
Total	**2,393.56**	**3,964.09**

Working capital loans from bank (secured)

(i) Short-term working capital loan of ₹1,552.97 lakhs (As at March 31, 2023 ₹3,343.33 lakhs) secured by hypothecation of stock & book debts. The interest rates were in the ranges from 7.00% to 9.25% p.a.

The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions generally are in agreement with the books of accounts with minor difference on account of provisional figures recorded while submission of statements of current assets to the bank.

25. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
- total outstanding dues of micro and small enterprises;	52.65	37.45
- total outstanding dues of creditors other than micro and small enterprises	8,005.28	6,512.92
Total	**8,057.93**	**6,550.37**

i. Disclosure with respect to related party transactions is given in note 45.

ii. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount remaining unpaid to supplier as at the end of accounting year	52.65	37.45
The interest due thereon remaining unpaid to supplier as at the end of accounting year.	0.72	-
The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.72	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	0.72	-

iii. Ageing for Trade Payables outstanding is as follows:

(₹ in Lakh)

Particulars	Outstanding from due date of payment as on 31st March 2024				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	52.65				**52.65**
(ii) Others	7,876.94				**7,876.94**
(iii) Disputed dues - MSME	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	128.34	**128.34**
Total	**7,929.59**	**-**	**-**	**128.34**	**8,057.93**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on 31st March 2023				
	Less than 1 year	1 to 2 Year	2 to 3 Year	More than 3 year	Total
Unsecured and considered good					
(i) MSME	37.45	-	-	-	**37.45**
(ii) Others	6,384.58				**6,384.58**
(iii) Disputed dues - MSME					
(iv) Disputed dues – Others			-	128.34	**128.34**
Total	**6,422.03**	-	**-**	**128.34**	**6,550.37**

26. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from related parties (refer note 45)	2.10	1,168.36
Other payables	1,187.49	2,896.27
Other Advances	-	33.63
Total	**1,189.59**	**4,098.26**

27. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance against orders	(1.06)	44.05
Unpaid dividend payable	0.74	0.74
Statutory dues payable	52.65	184.63
Total	**52.33**	**229.42**

28. PROVISIONS

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (refer note 43)	16.22	12.57
Total	**16.22**	**12.57**

29. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	55,314.15	32,287.50
Other operating revenues	671.43	376.39
Total	**55,985.58**	**32,663.89**

30. OTHER INCOME

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on foreign currency transactions and	548.18	1,253.98
Interest received	320.23	3.21
Other income	173.06	7.40
Total	**1,041.47**	**1,264.59**

31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Work in Progress - Opening	1,038.70	1,531.22
Work in Progress – Closing	2,360.28	1,038.70
	(1,321.58)	**492.52**
Finished Goods (Mfg.) - Opening	2,125.16	1,263.84
Finished Goods (Mfg.) - Closing	5,952.81	2,125.16
	(3,827.65)	**(861.32)**
Total Change in Inventories	**(5,149.23)**	**(368.80)**

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	1,131.49	574.43
Contribution to provident and other funds	27.21	25.19
Director remuneration	117.20	114.90
Gratuity expense (refer note 43)	22.28	20.37
Staff welfare expenses	50.15	62.89
Total	**1,348.33**	**797.78**

33. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment (Refer note 6)	163.94	91.23
Amortisation of intangible assets (Refer note 9)	0.93	0.92
Amortisation of right to use assets (Refer note 7)	40.58	40.53
Total	**205.45**	**132.68**

34. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on borrowings	872.95	637.01
Interest expense of lease liabilities	2.50	212.31
Other borrowing costs	40.60	12.98
Other financial charges	447.75	390.86
Total	**1363.80**	**1,053.16**

35. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Repairs and maintenance	289.51	120.90
Rent	365.32	216.49
Rates and taxes	158.72	32.78
Insurance	14.39	11.33
Legal and professional fees	161.78	117.77
Travelling & conveyance expenses	468.94	492.01
Payment to Auditor	13.13	9.62
Security charges	39.68	33.13
Foreign exchange Fluctuation Loss	-	421.70
Electricity Charges Office	23.84	-
Freight forwarding and distribution expenses	591.60	724.54
Forward Contract Gain/Loss	75.30	-
Loss on sale of machinery	-	3.95
Advertisement, sales & distribution expenses (includes commission)	1,848.39	874.46
Office expenses	30.01	100.47
CSR expenses (refer note xx)	101.04	93.99
Donation	28.96	3.04
Postage and telephone	13.08	14.63
Printing and stationery	5.48	11.98
Expected credit loss allowance	840.73	891.06
Bad Debts	23.75	34.75
Total	**5,093.65**	**4,208.60**

Note:

A) Auditor's remuneration (excluding taxes):

(₹ in Lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit fees including limited review	9.25	8.19
Tax Audit Fees	1.00	1.00
Other Services	2.88	0.43
Total	**13.13**	**9.62**

36. Income tax

Indian companies are subject to Indian income tax. For each financial year, the entity profit and loss is subject to the regular income tax payable. Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 22% plus a surcharge of 10% and education cess 4%.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Current Tax	2,000.00	1,225.00
Deferred tax liabilities (Net)	(168.17)	(219.08)
(Excess) / short provision of tax of earlier years	185.13	159.32
Total tax expense	**2,016.96**	**1,165.24**

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:

Particulars	As at 31 March 2024	As at 31 March 2023
Profit before tax	**11,384.30**	**5,056.53**
Enacted rate of tax	25.17%	25.17%
Expected income tax expense at statutory rate	2,865.43	1,272.73
Effect of tax of subsidiary operating in other jurisdictions	(667.87)	(174.00)
Tax effect of amounts which are deductible / not deductible in calculating taxable income	(29.39)	345.00
Deferred tax assets recognised on temporary deductible difference not recognised previously	(168.17)	(219.00)
Income tax expense for the year	**2,000.00**	**1,225.00**
Effective income tax rate	**17.57%**	**24.23%**

37. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement gains (losses) on defined benefit plans, not to reclassified to profit and loss account	3.64	11.98
Income tax effect	(0.92)	(3.02)
Total	**2.72**	**8.96**

38. EARNINGS PER SHARE (EPS)

Particulars	2023-24	2022-23
Face Value of Equity Share	₹10	₹10
Profit attributable to equity shareholders (₹ in Lakh) (A)	**9,367.34**	**3,891.27**
Weighted average number of equity shares for basic EPS (B)	**9,56,59,478**	**8,32,57,977**
Effect of dilution:		
Total weighted average potential equity shares	5,12,100	-
Weighted average number of equity shares adjusted for the effect of dilution (C)	**9,61,71,577**	**8,32,57,977**
Basic EPS (Amount in ₹) (A/B)	**9.80**	**4.67**
Diluted EPS (Amount in ₹) (A/C)	**9.74**	**4.67**

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 2024	For the year ended 31 March 2023
Revenue expenditure charged to profit and loss account	114.76	103.97

40. SEGMENT REPORTING

The Company is in the business of manufacturing 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 31March 2024	For the year ended 31 March 2023
Deemed Export	14,177.73	3,766.64
Export	41,807.85	28,897.25
Total	**55,985.58**	**32,663.89**

c) **Non-current assets**

Particulars	For the year ended 31March 2024	For the year ended 31 March 2023
India	18,181.64	4,960.27
Outside India	520.93	536.44
Total	**18,702.57**	**5,496.71**

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.

a) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except for the following:

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
PPE	Freehold Land	0.83	Mr. Jaspal Singh Chandock	Promoter cum Director	Since 3rd August 2020	The title has been transferred to the Company, pursuant to the succession agreement (reverse merger). The registration of the transfer deed in the name of the company is pending on account of certain procedural formalities.

b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

c) The Company has a Working Capital limit of ₹10,100 Lakhs from Union Bank of India, comprising of Fund-based limits of ₹7,600 Lakhs and non-fund-based limits of ₹2,500 Lakhs. 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. refer note 22 & 24.

d) The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

e) The Company does not have any transactions with struck-off companies.

f) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period except in case of one lender where outstanding balance as on 31.st March 2024 is Rs. 63.56 lakhs, charge is pending on account of certain procedural formalities.

g) The Company has compiled with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

h) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

   i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or

   ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

j) The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

42. FINANCIAL INSTRUMENTS

1.1 **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 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets Measured at amortised cost						
Trade receivables			21,849.74	-	-	21,052.04
Cash and cash equivalents			8,793.99	-	-	514.54
Bank balances other than cash and cash equivalents			293.44	-	-	275.44
Other financial assets			702.08	-	-	717.37
Total financial assets at amortised cost			**31,669.17**	-	-	**22,559.39**
Financial liabilities Measured at amortised cost						
Borrowings						
Long term Borrowings			2,483.97	-	-	1,169.27
Short term Borrowings			2,393.56	-	-	3,964.09
Trade payables			8,057.93	-	-	6,550.37
Other financial liabilities			1,191.20	-	-	4,152.09
Total financial liabilities carried at amortised cost			**14,126.66**	-	-	**15,835.82**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

Particulars	For the year ended 31March 2024		For the year ended 31March 2023	
	Carrying cost	Amortised Cost	Carrying cost	Amortised Cost
Non-current financial assets				
Investments in equity shares	30.33	30.33	32.33	32.33
Other Financial Assets	62.31	62.31	53.11	53.11
Non current financial liabilities				
Borrowings	2483.97	2483.97	1169.27	1169.27
Lease liabilities	0.55	0.55	1.61	1.61

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

1.2 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 ₹**16,232.98** lakhs outstanding As at 31 March 2024 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 2024

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Financial assets				
Trade receivables	19,735.21	938.61	2,791.52	23,465.34
Other financial assets	1,949.25		-	1,949.25
Total financial assets (A)	**21,684.46**	**938.61**	**2,791.52**	**25,414.59**
Financial liabilities				
Trade payables	-	-	152.00	152.00
Other financial liabilities	-	-	-	-
Total financial liabilities (B)	-	-	-	-
Net Exposure (A-B)	**21,684.46**	**938.61**	**2,639.52**	**25,262.59**

Foreign Currency exposure as at 31 March 2023

(₹ in Lakhs)

Particulars	USD*	EURO*	AED*	Total
Financial assets				
Trade receivables	18,040.52	769.76	2,839.66	21,649.94
Other financial assets	-	-	159.67	159.67
Total financial assets (A)	**18,040.52**	**769.76**	**2,999.33**	**21,809.61**
Financial liabilities				
Trade payables	3.58	-	1,410.33	1,413.91
Other financial liabilities	-	-	-	-
Total financial liabilities (B)	**3.58**	**-**	**1,410.33**	**1,413.91**
Net Exposure (A-B)	**18,036.94**	**769.76**	**1,589.00**	**20,395.70**

*unhedged currency position

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Particulars	Increase (strengthening of ₹)		Decrease (weakening of ₹)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Receivable				
USD/INR	(216.84)	(188.23)	216.84	188.23
EUR/INR	(9.39)	(7.69)	9.39	7.69
AED/INR	(27.92)	(3.10)	27.92	3.10
Payable				
AED/INR	1.52	0.04	(1.52)	(0.04)

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 2024	As at 31 March 2023
Fixed rate borrowings	2,034.61	2,016.34
Floating rate borrowings	2,842.93	3,117.02
Total borrowings	**4,877.53**	**5,133.36**

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 2024 would decrease / increase by ₹ 28.43 Lakhs (for the year ended 31 March 2023: decrease / increase by ₹ 31.17 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 2024

₹ in Lakhs)

Financial assets				
Trade receivables	21,241.17	608.57	-	21,849.74
Cash and cash equivalents	8,793.99			8,793.99
Bank balances other than cash and cash equivalents	293.44			293.44
Loans	-	29.92		29.92
Other financial assets	228.58	473.50		702.08
Total financial assets	**30,557.18**	**1,111.99**		**31,669.17**
Financial liabilities				
Long term borrowings	840.59	2,483.97	-	3,324.56
Short term borrowings	1,552.97			1,552.97
Trade payables	7,929.59	128.34	-	8,057.93
Other financial liabilities	1,190.65	0.55		1,191.20
Total financial liabilities	**11,513.80**	**2,612.86**	-	**14,126.66**

Liquidity exposure as at 31 March 2023

(₹ in Lakhs)

Financial assets				
Trade receivables	21,052.04	-	-	**21,052.04**
Cash and cash equivalents	514.54	-	-	**514.54**
Bank balances other than cash and cash equivalents	275.44	-	-	**275.44**
Loans	117.31	-	-	**117.31**
Other financial assets	546.95	53.11	-	**600.06**
Total financial assets	**22,506.28**	53.11	-	**22,559.39**
Financial liabilities				
Long term borrowings	620.76	1,167.27	-	1,790.03
Short term borrowings	3,343.33		-	3,343.33
Trade payables	6,550.37		-	6,550.37
Other financial liabilities	4,150.48	1.61	-	4,152.09
Total financial liabilities	**14,664.94**	**1,170.88**	-	**15,835.82**

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 2024	As at 31 March 2023
Long term borrowings	2,483.97	1,169.27
Current maturities of long term debt and finance lease obligations	840.59	620.76
Short term borrowings	1,552.97	3,343.33
Less: Cash and cash equivalent	(8,793.99)	(514.54)
Less: Bank balances other than cash and cash equivalents	(293.44)	(275.44)
Net debt	**-**	**4,343.38**
Total equity	**55,296.33**	**19,763.00**
Gearing ratio	**-**	**0.22**

i. Equity includes all capital and reserves of the Company that are managed as capital.

ii. Debt is defined as long and short term borrowings, as described in notes 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.

iii. No dividend was recommended for the year ended March 31, 2024

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 ₹21.80 Lakhs (31 March 2023:₹ 19.99 (included in note 32).

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 2024 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	
	2024	2023
Defined Benefit obligation at beginning of year	**94.83**	**89.41**
Current Service Cost	11.86	10.69
Interest Cost	7.04	6.71
Actuarial (Gains)/Losses on Obligations		
- Due to Change in Demographic Assumptions	-	-
- Due to Change in Financial Assumptions	3.38	(5.28)
- Due to Experience	(8.24)	(6.70)
Benefits paid	-	-
Defined Benefit obligation at year end	**108.88**	**94.83**

ii. **Expenses recognised in statement of profit and loss account** **(` in Lakhs)**

Description	**Gratuity as on 31 March**	
	2024	**2023**
Current Service Cost	11.86	10.69
Net Interest Cost	7.04	6.71
Component of defined benefit cost recognised in statement of profit and loss	**18.91**	**17.40**
Remeasurement of net defined benefit liability		
Actuarial (gain)/loss on defined benefit obligation	(4.86)	(11.98)
Component of defined benefit cost recognised in other comprehensive income	**(4.86)**	**(11.98)**

iii. **Actuarial assumptions** **(` in Lakhs)**

Description	**Gratuity as on 31 March**	
	2024	**2023**
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount rate (p.a.)	7.10%	7.50%
Attrition Rate	5% to 1%	5% to 1%
Retirement age	58.00	58
Rate of escalation in salary (p.a.)	6.00%	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**	
	2024	**2023**
Present value of obligation	108.88	94.83
Net liability / (asset) arising from defined benefit obligation	**108.88**	**94.83**

v. **Sensitivity Analysis – Gratuity** **(` in Lakhs)**

Particulars	**2023-24**	**2022-23**
Projected Benefit Obligation on Current Assumptions	108.88	94.83
Discount Rate - 1 percent increase	100.29	87.78
Discount Rate - 1 percent decrease	118.92	103.04
Salary Escalation Rate - 1 percent increase	118.93	103.08
Salary Escalation Rate - 1 percent decrease	100.13	87.62
Withdrawal Rate - 1 percent increase	109.66	95.23
Withdrawal Rate - 1 percent decrease	108.00	94.42

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.

vii. Maturity analysis of projected benefit obligation

(₹ in Lakhs)

Particulars	Less than a year	Between 1 to 5 years	Between 6 to 10 years	Total
As at 31 March 2024				
Projected benefit payable	16.22	28.37	54.87	**99.46**
As at 31 March 2023				
Projected benefit payable	12.57	31.01	51.90	**95.49**

44. CONTINGENT LIABILITIES AND LEGAL CASES

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank guarantee	-	-

Capital Commitments

Estimated amount of contract remaining to be executed on capital account, net of advances is ₹5,499.92 lakhs(Previous year ₹1,428.26

45. 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. Amit Todkari - Chief Financial Officer (CFO) we.f. 10th May 2023
Ms.Tabassum Begum – Company Secretaryw.e.f. 10th June 2023

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)

b) **Details of transactions with related parties**

(₹ in Lakhs)

Name of related party/Nature of Transaction	2023-24	2022-23
Director's Remuneration		
Mr. Jaspalsingh Chandock	72.00	72.00
Mr. Trimaan Chandock	18.00	18.00
Mr. Jaikaran Chandock	18.00	18.00
Sitting fees		
Mr. Raghavendra Raj Mehta	3.20	2.30
Ms. Shalu Bhandari	3.00	2.30
Mr. Radheshyam Soni	3.00	2.30
Salary		
Mr. Mitesh Dani	-	2.00
Mr. Akash Joshi	-	6.75
Mr. Amit Todkari	14.12	-
Ms. Tabassum Begum	7.36	-

Name of related party/Nature of Transaction	2023-24	2022-23
Rent paid – Hotel Imperial Palace (I)	48.00	48.00
Rent deposit – Hotel Imperial Palace (I)	40.00	40.00
Expenses on behalf of Hotel Imperial Palace	5.02	33.26
Reimbursement of Expenses paid to Hotel Imperial Palace (I)	0.00	0.00
Reimbursement of Expenses paid to Mr.Jaspal Singh Chandock	4.00	3.91
Expenses on behalf of Mr.Jaspal Singh Chandock	206.37	124.60
Expenses on behalf of Mr.Jaikaran Chandock	2.42	0.00
Reimbursement of Expenses paid to Mr.Jaikaran Chandock	0.17	-
Expenses on behalf of Mr.Trimaan Chandock	0.60	-
Advance received		
Mr. Jaspalsingh Chandock	3,980.99	1,935.21
Hotel Imperial Palace (I)		221.14
Interest paid on advance received		
Mr. Jaspalsingh Chandock	88.09	-
Advance re-paid		
Mr. Jaspalsingh Chandock	5,270.74	1,213.59
Hotel Imperial Palace (I)	-	221.14
Outstanding balance at the end of the year		
Mr. Jaspalsingh Chandock (Cr.)	-	1,289.75
Mr. Trimaan Chandock (Cr.) – Remuneration Payable	-	5.14
Mr.Jaikaran Chandock (Cr.) – Remuneration Payable	-	19.48
Mr. Akash Joshi (Cr.) – Salary Payable	-	0.60
Mr. Amit Todkari	1.28	-
Ms. Tabassum Begum	0.83	-

Note - Capital contribution for one of our subsidiary namely Kelmarsh Technologies FZ-LLC in Dubai has not been made till the closure of the financial year i.e.,31 March 2024. Now the company has decided to independently conduct all anticipated operations, either through its own operations or via existing subsidiary companies

46. Previous period figures have been regrouped / recasted / reclassified wherever necessary.

47. The Company has approved its consolidated financial statements in its board meeting dated May 14, 2024.

Signatures to Notes 1 to 47 which form an integral part of financial statements.

As per our report of even date

For M. B. Agrawal & Co.
Chartered Accountants
Firm's Reg. No.: 100137W

Sd/-
Leena Agrawal
Partner
Membership No.: 061362

Mumbai, 14 May 2024

For and on behalf of the Board of Directors

Sd/-
Jaspalsingh Chandock
Chairman & Managing Director
(DIN 00813218)

Sd/-
Trimaan Chandock
Director
(DIN 02853445)

Sd/-
Jaikaran Chandock
Director
(DIN 06965738)

Sd/-
Amit Todkari
Chief Financial Office

Sd/-
Tabassum Begum
Company Secretary

NOTICE

Registered Office:

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

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 35TH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF BALU FORGE INDUSTRIES LIMITED ('THE COMPANY') WILL BE HELD ON MONDAY, 30TH SEPTEMBER, 2024, AT 11:30 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 31st March, 2024 together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024 together with the Reports of the Auditors thereon;

2. **Declaration of Dividend**

   To declare a Final Dividend at the rate of 1.5% i.e. ₹0.15 per equity share of ₹10/- each fully paid-up for the Financial Year ended March 31, 2024.

3. **Retirement by Rotation:**

   To re-appoint Mr. Jaspalsingh Prehladsingh Chandock (DIN: 00813218), who retires by rotation as a Director and being eligible, offers himself for re-appointment:

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Jaspalsingh Prehladsingh Chandock (DIN: 00813218) who retires by rotation as a Director at this AGM, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

4. **Ratification of Remuneration of Cost Auditors of the Company:-**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R. K. Bhandari & Co, Cost Accountants, having Firm Registration No.: 101435, appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2024-25 amounting to ₹2,50,000/- (Rupees Two Lakh and Fifty Thousand Only) plus applicable tax(es) and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, recommended by the Audit Committee and approved by the Board of Directors of the Company be and is hereby ratified."

   "**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

5. **To appoint of Mr. Sumer Singh (DIN: 10768646) as an Independent Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Mr. Sumer Singh (DIN: 10768646), who was appointed as an Additional Director (Category: Non-Executive Independent) of the Company by the Board of Directors with effect from 6th September, 2024 and who holds office till the conclusion of this 35th Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from date of Board's approval i.e., 6th September, 2024 till the conclusion of 40th Annual General Meeting to be held in the year 2029."

"**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Mr. Sumer Singh (DIN: 10768646), as a Non-Executive Independent Director of the Company."

By the Order of the Board
For Balu Forge Industries Limited

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

Date: 06th September, 2024
Place: Mumbai

NOTES

1) The Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act") and as per the Listing Regulations, concerning resolution vide item No. 4 in the Notice of Annual General Meeting is annexed hereto and form part of this Notice.

2) Ministry of Corporate Affairs ("MCA") vide its Circular dated September 25, 2023 in continuation of its earlier circulars on the subject ("MCA Circulars") have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") till September 30, 2024 without the physical presence of the members at a common venue. Accordingly, the Ministry of Corporate Affairs issued Circular No. 09/2023 dated 25th September, 2023 read with Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022 and 10/2022, dated December 28, 2022, issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/ CFD/CMD1/CIR/ P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by the Securities and Exchange Board of India ("SEBI") ("collectively referred to as SEBI Circulars") prescribing the procedures and manner of conducting the AGM through VC/OVAM. Accordingly, the 35th AGM of the Company will be held through VC/OAVM and members can attend and participate in the AGM through VC/OAVM only. Participation of members through VC/OAVM will be reckoned for the purpose of the quorum for the AGM as per Section 103 of the Act. The registered office of the Company shall be deemed to be the venue for the 35th AGM.

3) Notice Pursuant to MCA Circular No. 09/2023 dated September 25, 2023 read with Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 respectively, as the AGM shall be conducted through VC/ OAVM, the facility for appointment of proxy by the members to attend and cast vote for the members is not available for this AGM and hence the proxy form and attendance slip including Route map are not annexed to the Notice. However, in pursuance of Section 113 of the Companies Act, 2013, the Body Corporate member/ institutional members are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate and cast their votes through e-voting. Accordingly, Institutional / Corporate Members are requested to send a scanned copy (PDF/ JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at compliance@baluindustries.com

4) In line with the General Circular No. 14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021,Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 Circular No. 02/2022 dated May 5, 2022, Circular No. 10/2022 dated December 28, 2022, and Circular No. 09/2023 dated September 25, 2023 respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/ CFD/CMD1/CIR/ P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR /P/2021/11 dated January 15, 2021 and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI, owing to the difficulties involved in dispatching of physical copies, Notice of AGM are being sent in electronic mode to Members whose names appear on the Register of Members/ List of Beneficial owners as received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") and whose email address is available with the Company or the Depository Participants or RTA of the Company as on Friday, 30th August, 2024.

5) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after 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 1000 members on first come first served basis. This will not include large Shareholders (Shareholders 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 etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://www.baluindustries.com/shareholders-

information.php. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.

7) Statement giving details of the Director 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").

8) The Board of Directors at its meeting held on July 30, 2024, had recommended payment of final dividend on equity shares at the rate of 1.5% i.e. ₹0.15 per equity share of ₹10/- each fully paid-up for the Financial Year 2023-24. The dividend so recommended by the Board, if declared by the members of the Annual General Meeting, shall be paid within statutory time limit to those members.

9) Pursuant to the Listing Regulations, the Company has fixed Friday, September 20, 2024, as the Record Date for the purpose of determining the entitlement of members to the final dividend. The final dividend on Equity Shares, if declared at the AGM, shall be paid/credited subject to deduction of income-tax at source (''TDS'') within statutory time limit to those members:

   (i) Whose names appear in the Register of Members of the Company after giving effect to all valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, September 20, 2024; and

   (ii) Whose names appear as beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), as of the close of business hours on Friday, September 20, 2024.

   (iii) Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of the members. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and the amendments thereof. The Company shall, therefore, be required to deduct Tax at Source (TDS) at the time of making payment of final dividend, if declared by the members. In order to enable the Company to determine the appropriate TDS rate as applicable, members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

   (iv) SEBI has made it mandatory for all listed companies to use the bank account details furnished by the Depositories and the Bank Account details maintained by the RTA for payment of Dividend through Electronic Clearing Service (ECS) to investors wherever ECS and Bank details are available. In the absence of ECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participant(s) about such change, with complete details of Bank Account.

   (v) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations or NEFT. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participant(s). In the absence of availability of NECS/ECS/NEFT facility, the dividend would be paid through warrants/ DDs and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants/DDs as per the applicable Regulations. For Members who have not updated their bank account details, dividend warrants /demand drafts will be sent to their registered addresses.

   (vi) As per the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, in case of members whose bank details are not updated in the records of our Registrar and Share Transfer Agent i.e. Skyline Financial Services Pvt. Ltd./Depositories before the close of business hours on Friday, September 20, 2024, the Dividend shall be transferred to unpaid dividend account.

   (vii) Members are requested to note that dividend warrant if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF.

10) Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address: compliance@baluindustries.com at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

11) All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to compliance@baluindustries.com

12) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from Friday, 20th September, 2024 to Monday, 30th September, 2024 (both days inclusive).

13) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

14) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting during the AGM will be provided by NSDL.

15) 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 their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

16) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

17) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.

18) Members holding shares in dematerialized 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.

19) 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/.

20) Members holding shares in demat mode should file their nomination with their Depository Participant (DPs) for availing this facility. Members may please note that SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 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 Replace with https://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 dematerialization and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

21) 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.

22) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **cut-off date Tuesday, 24th September, 2024**. Any persons, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the **cut-off date i.e. Tuesday, 24th September 2024**, may obtain the login ID and password by sending a request at Issuer/ RTA.

23) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM & a person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM.

24) The Board of Directors in their meeting held on **06th September, 2024** have appointed **Mr. Jaymin Modi, Practicing Company Secretaries** as the Scrutinizer for the e-voting and remote e-voting process in a fair and transparent manner.

25) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility and the Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forth with.

26) The Result declared along with the report of the scrutinizer shall be placed on the website of the Company https://www.baluindustries.com/shareholdersinformation.php and on the website of the Stock Exchanges.

27) 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 **Thursday, 26th September, 2024 (9:00 a.m. IST) and ends on Sunday, 29th September, 2024 (5:00 p.m. IST)**. During this period members of the Company, holding shares as on the **cut-off date of Tuesday, 24th September, 2024**, 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 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.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing myeasi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email id is registered in your demat account or with the company, your 'initial password' is communicated to you on your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client id for NSDL account, last 8 digits of client id for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User id' and your 'initial password'.

      (ii) If your email id is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@csjmco.com with a copy marked to evoting@nsdl.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 to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Sagar S. Gudhate at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@baluindustries.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@baluindustries.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

   Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

   1. **The instructions for members for e-voting on the day of the AGM are as under:-**

      i. The procedure for e-Voting on the day of the

AGM is same as the instructions mentioned above for remote e-voting.

ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

2. Instructions for members for attending the AGM through VC/OAVM are as under:

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/ OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. 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

vi. The Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send request from their registered e-mail address mentioning their name, demat account number / folio number, e-mail id, mobile number at compliance@baluindustries.com by Monday, 23rd September, 2024. 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.

By the Order of the Board
For Balu Forge Industries Limited

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

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

Date: 06th September, 2024
Place: Mumbai

DETAILS OF DIRECTOR RETIRING BY ROTATION AT THE ANNUAL GENERAL MEETING:

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings]

Name	Mr. Jaspalsingh Chandock
Date of Birth	02/06/1964
Age	60
Date of appointment on the Board	19 November, 2020
Qualification	Bachelor of Arts
Nature of expertise & experience	34 Years, Manufacturing & Hospitality
Relationship with other Director/ Key Managerial Personne	Mr. Jaspalsingh Chandock is the father of Mr. Trimaan Jaspalsingh Chandock and Mr. Jaikaran Jaspalsingh 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 (2023-24)	08
Directorships held in other companies	1. Balu Hospitality Limited 2. Naya Energy Works Private Limited 3. Balu Advanced Technologies & Systems Private Limited
Memberships/ Chairmanships of committees of other companies	Nil
No. of shares held in the Company	54440010

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

As required by Section 102(1) of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item No. 4 of the accompanying Notice:

ITEM NO.: 4

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors– M/s. R. K. Bhandari & Co, Cost Accountants, having Firm Registration No.: 101435, to conduct the audit of the cost records of the Company for the Financial Year 2024-25, at a remuneration of ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) plus taxes at the applicable rates and reimbursement of out-of-pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing of an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors/Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO.: 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 6th September, 2024, appointed Mr. Sumer Singh (DIN: 10768646) as an Additional Director (Category: Non-Executive & Independent) of the Company w.e.f. 6th September, 2024. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Sumer Singh holds office as an Additional Director till the date of the ensuing 35th Annual General Meeting (AGM) scheduled on 30th September, 2024.

Further, pursuant to the provisions of Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is required to obtain approval of shareholders for the appointment of an Independent Director at the next general meeting or within a time period of 3 (three) months from the date of appointment, whichever is earlier.

The Company has received a notice in writing pursuant to Section 160 of the Act from a Member signifying intention to propose the candidature of Mr. Sumer Singh as an Independent Director of the Company.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 6th September, 2024, recommended the appointment of Mr. Sumer Singh as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term commencing from the date of Board's approval i.e. 6th September, 2024 till the conclusion of 40th AGM to be held in the year 2029.

Mr. Sumer Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received the consent and requisite declarations from Mr. Sumer Singh as per the provisions of the Act and SEBI Listing Regulations including the declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Sumer Singh fulfils the conditions for his appointment as an Independent Director, as specified in the Companies Act, 2013 and SEBI Listing Regulations and is independent of the management. Mr. Sumer Singh possesses the required skills, knowledge, and experience as identified by the Board in the fields of Finance & Risk management, Compliance & Corporate Governance, Technology & Digital perspective and General Management and his induction on Balu Board will immensely benefit the Company. Further, Mr. Sumer Singh possesses the integrity, expertise, experience and proficiency for appointment as an Independent Director and is a person of high integrity and repute. Considering his expertise and knowledge, the Board considers that the appointment of Mr. Sumer Singh as an Independent Director of the Company will be in the interest of the Company, and hence, it recommends appointment of Mr. Sumer Singh as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from the date of Board's approval i.e. 6th September, 2024 till the conclusion of 40th AGM to be held in the year 2029. Accordingly, the Board recommends the resolution as set out at **Item No. 5** of this notice to the 35th AGM Notice for approval of the Members of the Company as a Special Resolution.

The copy of draft letter of appointment of Mr. Sumer Singh setting out the terms and conditions of his appointment is available electronically for inspection by the Members. The same is also available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till the date of AGM.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Mr. Sumer Singh including his profile and specific areas of expertise are given in this AGM Notice as "Annexure 1".

Except Mr. Sumer Singh and his relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

By the Order of the Board
For Balu Forge Industries Limited

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

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

Date: 06th September, 2024
Place: Mumbai

ANNEXURE-1

ADDITIONAL INFORMATION ON DIRECTOR SEEKING APPOINTMENT AT THE 35TH AGM

[Pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued ICSI]

Brief Profile of Mr. Sumer Singh:

Sumer Singh is a mission-focused executive with a reputation for disruptive leadership balancing sustainable growth and corporate responsibility in global markets. He has completed his Bachelor of Arts from Kurukshetra University, Haryana. He, who earned a Bachelor of laws from University of Delhi, one of the premier law universities in India, began his career as probationary officer i.e., in scale-I in Union Bank of India from 15th December, 1993 and rose to the post of Deputy General Manager i.e., Scale VI.

Has successfully completed Junior Associate of Indian Institute of the Bankers (JAIIB) and Certified Associate of Indian Institute of Bankers (CAIIB) from Indian Institute of Banking and Finance (IIBF) in the year 2004 and 2006 respectively.

He has varied experience of banking and worked as Branch Head for 14 years in different category of branches i.e., Rural, Semi Urban, Urban & Metro branch.

He was promoted to Deputy General Manager on 31st March, 2016 and was posted as Regional Head in Indore. He has worked as Regional Head in 4 different regions i.e., Indore, Nagpur, Hissar & Nasik.

During his tenure and last posting at the central office in the wealth management vertical, he was responsible for managing life insurance and non-life insurance and union Mutual fund, Allotment of targets Pan India and their achievement was objective. He has 30 years of work experience in Banking sector.

Other details:

Name of the Director	:	Mr. Sumer Singh
Date of Birth & age	:	13th April 1964 (60 years)
Date of Appointment	:	6th September, 2024
Nature of his expertise in specific functional areas	:	Finance & Risk management, Compliance & Corporate Governance, Technology & Digital perspective, General Management and Banking sector.
Qualification	:	BA, LLB, JAIIB, CAIIB
Relationship with other Directors, Managers and KMPs	:	NIL
Directorship held in other listed entities	:	NIL
Membership / Chairmanship of Committees of the Board in other listed entities	:	NIL
Listed entities from which he has resigned in the past 3 (three) years	:	NIL
Number of meetings of the Board attended during the year	:	Not Applicable
Terms and conditions of Appointment or Re-appointment	:	Not Liable to retire by rotation
Remuneration last drawn	:	Not Applicable
Remuneration sought to be paid	:	Entitled to sitting fees and remuneration for attending the meetings of the Board and / or respective Committee(s) where he is the Chairperson / Member, as the case may be, as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time, within the overall limits as per the Companies Act, 2013 and / or as approved by the shareholders, from time to time.
Shareholding in the Company	:	4,125
Shareholding as a beneficial owner	:	NIL

BALU FORGE INDUSTRIES LIMITED

Registered Office
506, 5th Floor, Imperial Palace, 45 Tally Park Road,
Andheri (East), Mumbai – 400 069.
www.baluindustries.com

CIN: L29100MH1989PLC255933