

Date: 14<sup>th</sup> May, 2024

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

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

**Sub: - Earnings Release for the Quarter and Year ended 31<sup>st</sup> March, 2024**

Dear Sir/Madam,

Please find enclosed herewith the Earnings Release for the Quarter and Year ended 31<sup>st</sup> March, 2024.

Kindly take the same on your record and acknowledge.

Thanking You,  
Yours Truly,

**For Balu Forge Industries Limited**

JASPALSINGH  
PREHLADSINGH  
CHANDOCK

 Digitally signed by JASPALSINGH  
PREHLADSINGH CHANDOCK  
Date: 2024.05.14 21:58:35 +05'30'

**Jaspalsingh Chandock**  
**Managing Director**  
**DIN: - 00813218**



**BALU FORGE INDUSTRIES LTD**

**CIN: L29100MH1989PLC255933**

506, Imperial Palace, 45 Tolly Park Road, Andheri East, Mumbai – 400 069, India  
M: 8655075578 E: sales@baluindustries.com/ compliance@baluindustries.com W: www.baluindustries.com



# SHARE HOLDERS' LETTER & RESULTS

**Q4 & 12M FY24 | May 14, 2024**

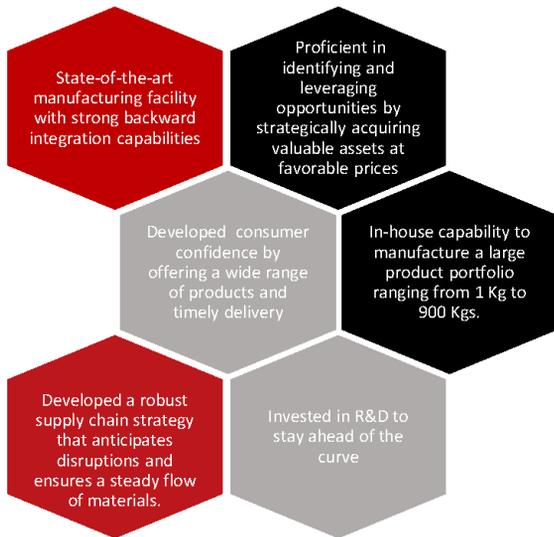
**In This Report,  
We Cover**

- 1. About BFIL**
- 2. Our Core Strengths & Capabilities**
- 3. Industry wise revenue split**
- 4. Key Performance Indicators**
- 5. Consolidated Financial Statements**
- 6. Management Commentary**
- 7. Management Guidance**
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# About Balu Forge Industries Ltd (“BFIL” or the “Company”):

- BFIL is a 35 year old Company with prominent presence in specialized engineering solutions and production of precision machined components.
  - Engaged in the manufacturing of crankshafts and various other precision machined forged components and has a strong clientele comprising of **25+ OEM's** and a distribution network in over **80+** countries
- BFIL encompasses precision machining capabilities with a comprehensive product range which caters to customers across various industries such as **automobiles, ships, locomotives, aerospace, defence, oil and gas, railway, marine, prototypes and others.**
- BFIL facility is located in Belgaum, Karnataka and has an existing capacity of 18,000 TPA of forged/machined components. BFIL had further acquired specialized assets with an installed capacity of 14,000 TPA which will be installed and operational by Q2FY25 increasing the **total production capacity to ~32,000 tonnes per annum.**
- BFIL has an equipped **R&D team comprising of ~45 professionals** who are continuously contributing towards newer product developments in niche sectors

## BFIL's Core Strength and Capabilities

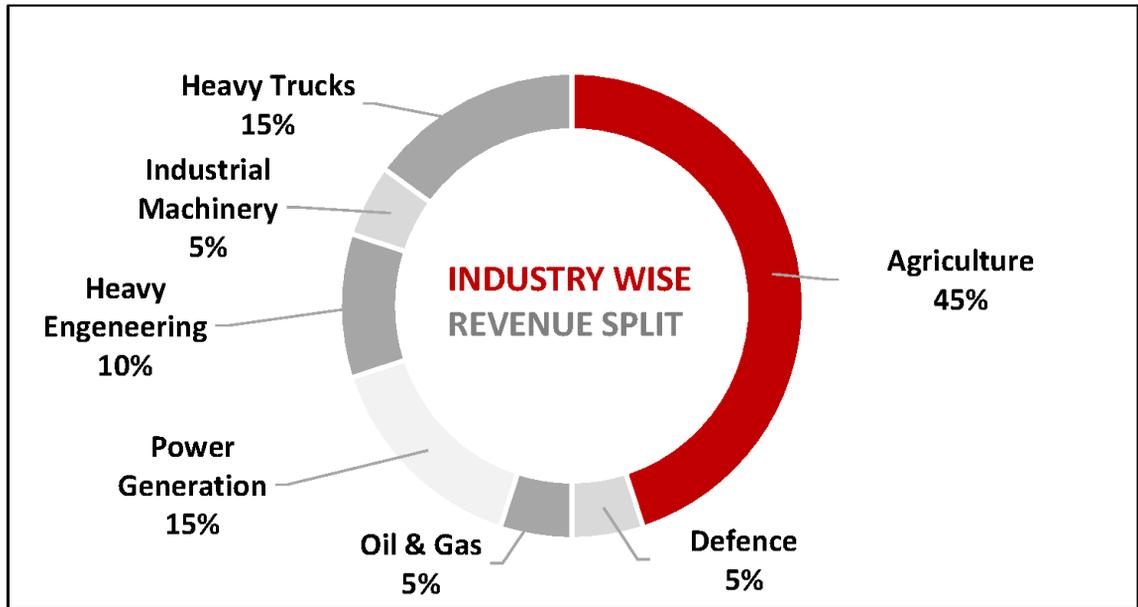


## BFIL's Specialized Engineering Solutions

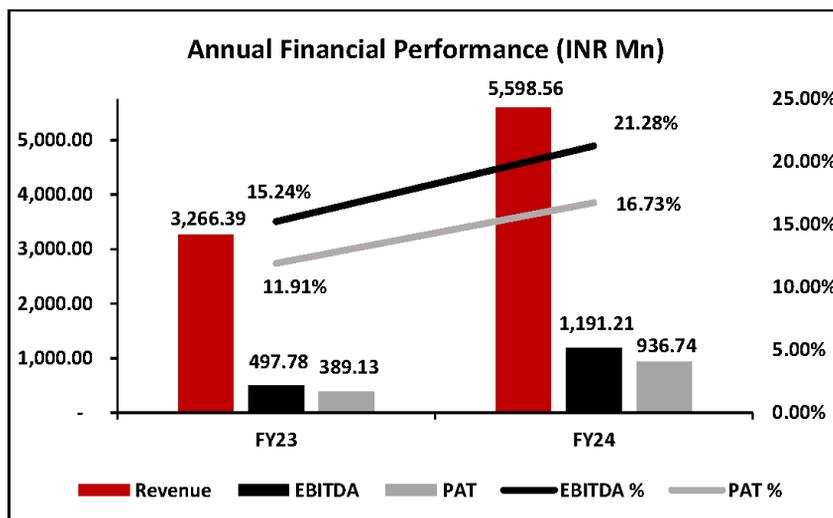
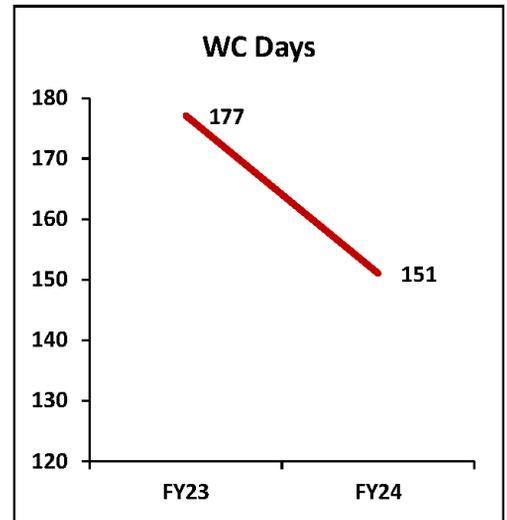
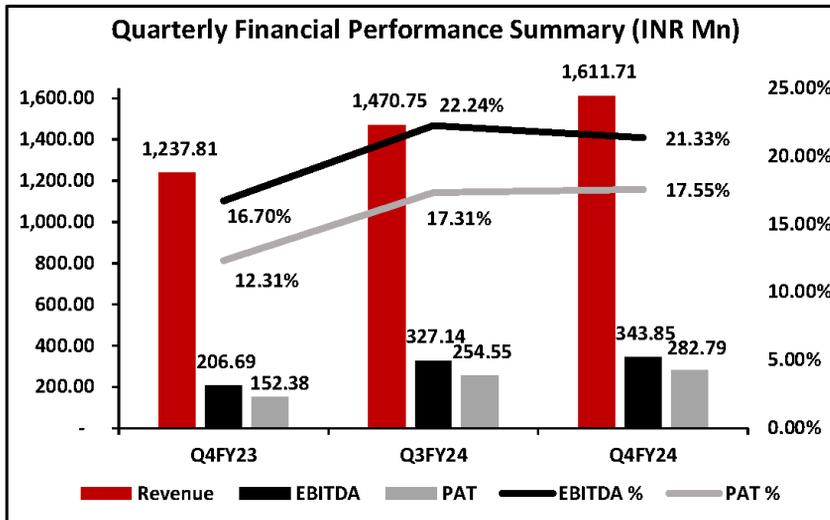
| Product                 | Capabilities  |
|-------------------------|---|
| Crankshafts             | -   |
| Railway Wheels          | Axles & Wheel Sets  |
| Under Carriage          | Track Shoe, Track Link, Track Roller, Carriers Roller, Sprocket, Track Chain, Idler                       |
| Transmission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



# Delivering solutions to vast range of industries



## Key Performance Indicators (Rs. In Mn)



**Another Set of Robust Financial Performance**  
**Revenue for FY24 increased by 71.4% over FY23**  
**PAT for FY24 increased by 140.7% over FY23**

**Consolidated P&L Statement**

| Particulars (Rs. Mn)                    | Q4 FY24         | Q4 FY23         | YoY%           | Q3 FY24         | FY24            | FY23            | YoY%           |
|---|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|
| Revenue from Operations                 | 1,611.71        | 1,237.81        | 30.21%         | 1,470.75        | 5,598.56        | 3,266.39        | 71.40%         |
| Other Income                            | 43.83           | 5.49            |                | 18.64           | 104.15          | 126.46          |                |
| <b>Total Income</b>                     | <b>1,655.54</b> | <b>1,243.29</b> | <b>33.16%</b>  | <b>1,489.39</b> | <b>5,702.71</b> | <b>3,392.85</b> | <b>68.08%</b>  |
| Total Expenses excl. D&A & Finance Cost | 1,267.86        | 1,031.11        |                | 1,143.61        | 4,407.3         | 2,768.61        |                |
| <b>EBITDA (Excluding Other Income)</b>  | <b>343.85</b>   | <b>206.69</b>   | <b>66.36%</b>  | <b>327.14</b>   | <b>1191.21</b>  | <b>497.78</b>   | <b>139.31%</b> |
| <b>EBITDA Margin (%)</b>                | <b>21.33%</b>   | <b>16.70%</b>   | <b>464 bps</b> | <b>22.24%</b>   | <b>21.28%</b>   | <b>15.24%</b>   | <b>604 bps</b> |
| Depreciation & Amortization             | 6.23            | 4.36            |                | 5.13            | 20.55           | 13.27           |                |
| Finance Cost                            | 35.31           | 35.15           |                | 38.63           | 136.38          | 105.32          |                |
| <b>PBT before Exceptional Item</b>      | <b>346.14</b>   | <b>172.67</b>   |                | <b>302.01</b>   | <b>1,138.43</b> | <b>505.65</b>   |                |
| Exceptional Items                       | -               | -               |                | -               | -               | -               |                |
| <b>PBT</b>                              | <b>346.14</b>   | <b>172.67</b>   |                | <b>302.01</b>   | <b>1,138.43</b> | <b>505.65</b>   |                |
| Tax                                     | 63.35           | 20.29           |                | 47.47           | 201.70          | 116.52          |                |
| <b>PAT</b>                              | <b>282.79</b>   | <b>152.38</b>   | <b>85.58%</b>  | <b>254.55</b>   | <b>936.74</b>   | <b>389.13</b>   | <b>140.73%</b> |
| <b>PAT Margin %</b>                     | <b>17.55%</b>   | <b>12.31%</b>   | <b>524 bps</b> | <b>17.31%</b>   | <b>16.73%</b>   | <b>11.91%</b>   | <b>482 bps</b> |
| Other comprehensive (profit)/ loss      | 0.00            | -0.37           |                | -0.34           | 0.27            | 0.90            |                |
| <b>Net PAT</b>                          | <b>282.79</b>   | <b>152.76</b>   |                | <b>254.21</b>   | <b>937.01</b>   | <b>390.03</b>   |                |
| Diluted EPS (In Rs.)                    | 2.74            | 1.83            |                | 2.57            | 9.69            | 4.67            |                |

**Consolidated Balance Sheet**

| Particulars (₹ in Mn)     | 31 <sup>st</sup> Mar'24 | 31 <sup>st</sup> Mar'23 |
|---------------------------|-------------------------|-------------------------|
| PP&E                      | 241.71                  | 152.86                  |
| Right to Use of Assets    | 0.13                    | 4.19                    |
| Capital WIP               | 1,302.73                | 66.70                   |
| Intangible Assets         | 0.25                    | 0.49                    |
| Goodwill                  | 325.45                  | 325.45                  |
| Other Financial Assets    | 6.23                    | 5.31                    |
| Deferred Tax Assets (Net) | 37.76                   | 21.16                   |
| Other Non-Current Assets  | 280.40                  | 142.83                  |
| <b>Non-Current Assets</b> | <b>2,194.65</b>         | <b>718.97</b>           |
| Inventories               | 894.67                  | 348.22                  |
| Trade Receivables         | 2,184.97                | 2,105.20                |
| Cash & Cash Equivalents   | 879.40                  | 51.45                   |
| Other Bank Balances       | 29.34                   | 27.54                   |
| Loans                     | 2.99                    | 11.73                   |
| Other Financial Assets    | 63.98                   | 54.70                   |
| Other Current Assets      | 874.60                  | 389.76                  |
| Current Tax Assets (Net)  | -                       | -                       |
| <b>Current Assets</b>     | <b>4,929.95</b>         | <b>2,988.60</b>         |
| <b>Total Assets</b>       | <b>7,124.61</b>         | <b>3,707.57</b>         |

| Particulars (₹ in Mn)               | 31 <sup>st</sup> Mar'24 | 31 <sup>st</sup> Mar'23 |
|-------------------------------------|-------------------------|-------------------------|
| Equity Share Capital                | 1,025.92                | 833.65                  |
| Other Equity                        | 4,503.71                | 1,142.65                |
| <b>Shareholders Fund</b>            | <b>5,529.63</b>         | <b>1,976.30</b>         |
| Long Term Borrowings                | 248.40                  | 116.93                  |
| Lease Liability                     | 0.16                    | 0.16                    |
| Provisions                          | 9.27                    | 8.23                    |
| Deferred Tax Liability (Net)        | -                       | -                       |
| <b>Non-Current Liabilities</b>      | <b>257.82</b>           | <b>125.31</b>           |
| Borrowings                          | 239.36                  | 396.41                  |
| Lease Liability                     |                         | 5.22                    |
| Trade Payables                      | 805.79                  | 655.04                  |
| Other Financial Liabilities         | 118.96                  | 409.83                  |
| Other Current Liability             | 5.23                    | 22.94                   |
| Provisions                          | 1.62                    | 1.26                    |
| Current Tax Liability (Net)         | 166.19                  | 115.26                  |
| <b>Current Liabilities</b>          | <b>1,337.15</b>         | <b>1,605.96</b>         |
| <b>Total Equity and Liabilities</b> | <b>7,124.61</b>         | <b>3,707.57</b>         |

**Consolidated Cash Flow Statement**

| Particulars (Rs. Mn)             | FY24          | FY23          |
|----------------------------------|---------------|---------------|
| Cashflow from operating activity | (179.74)      | 261.57        |
| Cashflow from investing activity | (1,478.71)    | (212.48)      |
| Cashflow from financing activity | 2,486.39      | (56.81)       |
| <b>Net Cash Generated</b>        | <b>827.95</b> | <b>(7.72)</b> |

## Management Commentary:

Commenting on the performance of FY24, Mr. Trimaan Chandock, Executive Director of BFIL stated:

*“We are happy to share our financial and business performance for FY24, we registered robust revenue growth of 71.40% and revenue from operations stood at ₹5,598.56 Mn in FY24 compared to ₹3,266.39 Mn in FY23 owing to our constant focus on client addition and continued demand for our specialized engineering products in the existing and new industries like railways, defense and heavy commercial vehicles. EBITDA grew by 139.31% and margins expanded by 604 bps from 15.24% in FY23 to 21.28% in FY24 owing to increase in scale of operations and increased demand for heavier products which tend to yield better margins. PAT margins improved by 482 bps from 11.91% in FY23 to 16.73% in FY24.*

*Following remarkable financial accomplishments have been attained in the fiscal under review:*

- 1) Working Capital days improved by 26 days from 177 in the previous reporting period to 151 days showcasing our continuous focus on streamlining receivables and increasing share of value added products where we can favourably negotiate lower credit days*
- 2) We have diversified our revenue stream to lower dependence on agro related industry and have increased our focus to serve other industries like defence, heavy engineering and green energy*

*Our superlative financial performance was assisted by the transformation that the Indian forging industry is undergoing, like global implementation of the China+1 strategy, increasing cost of production in Europe owing to geographical uncertainties and growing domestic capabilities . Moreover, there's a notable shift in focus from traditional automotive sectors towards diverse industries like defense, aerospace, power generation, construction, hydraulics, and wind energy. This diversified industry landscape offering a plethora of opportunities for us.*

*In order to remain ahead of the competition and to capitalize on these opportunities, we have implemented a few strategic initiatives which includes:*

- Addition of new products into our portfolio*
- actively pursuing diversification in both sector and customer base.*
- Offering customized solutions designed/developed leading to increased market share from existing customers/OEM's.*

*Owing to BFIL's dedication in executing the above strategies we have had recent additions of 3 new Global OEM's during the year despite rigorous audits and inspections to meet stringent quality norms.*

On capability augmentation front, the development of our newly acquired Mercedes Benz unit is progressing well on expected timelines and commercialization from said plant are expected to commence from Q2 FY25. This unit will enable us to produce heavier and more complex components having relatively higher realizations and margins. Currently these assets are partially operational capacities and have contributed in a healthy revenue growth and expanded margins.

In order to reap the best results of our focused approach, we are pursuing a five-pronged strategy to propel the next phase of growth at BFIL, focusing on expanding market presence, seizing new opportunities, increasing the share of value-added and more complex products in our revenues.

**Strategic vision of BFIL can be summarized through the below commitment to innovation, customer-centricity, and sustainable growth**

|   |  |   |   |  |
|---|--|---|---|--|
|   |  |   |   |  |
| <p><b>Capacity Expansion</b></p>  | <p><b>Product Expansion</b></p>  | <p><b>Higher Market Share</b></p>   | <p><b>Customer Addition</b></p>   | <p><b>Geographic Expansion</b></p>   |
| <p><i>The Mercedes-Benz unit is partially operational currently and is anticipated to achieve full commercialization by Q2 FY25</i></p> | <p><i>Diversifying our product portfolio of specialized engineering solution with focus on : defense, railway, and hydrogen compressor related offerings which yields better margins owing to complexity</i></p> | <p><i>Aiming to expand market presence in the commercial vehicle (CV) and defense sector.</i></p> <p><i>Continually evaluating inorganic opportunity in allied business</i></p> | <p><i>Focused on adding 2-3 new OEM partnership annually across the globe</i></p> | <p><i>Expanding our reach with a concentrated effort on key engineering hubs like Far East Asia, the USA, and Germany.</i></p> |

**Management Guidance:**

- Revenue is expected to conservatively grow in the range of **40.0%-45.0%** in FY25 over FY24, led by new customer addition in sectors like railway and defence.
- EBITDA margins are expected to be in the corridor of **23.0%-24.0%** in the upcoming quarter on the back of increasing scale of operations and efficiencies thereon.
- The manufacturing capacity is poised to rise from **18,000 TPA** to **32,000 TPA** with the commencement of Mercedes Benz's machining plant. Management endeavors to further expand manufacturing capacity.

**Disclaimer:**

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

**Contact Details:**

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