

Date: 10<sup>th</sup> May, 2023

To,  
General Manager,  
Department of Corporate Services,  
BSE Limited.,  
P J Towers, Dalal Street,  
Mumbai- 400 001.

Dear Sir/ Madam

**Sub: Revised Earnings Release for the Quarter and Year Ended March 2023**  
**BSE: Scrip Code: 531112**

In continuation to the previous intimation please find below the revised Earnings Release for the Quarter and Year Ended March 2023 as there was a typographical error. EBITDA Margins and PAT Margins have be recalculated and graphs and management commentary has been changed accordingly, rest all shall be read as same.

Request you to kindly take the above information on your records.

Thanking you,

Yours faithfully,

**For Balu Forge Industries Limited**

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



**BALU FORGE INDUSTRIES LTD**

**CIN: L29100MH1989PLC255933**

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# EARNINGS RELEASE & SHARE HOLDERS' LETTER

FY23 **M**ay 09, 2023

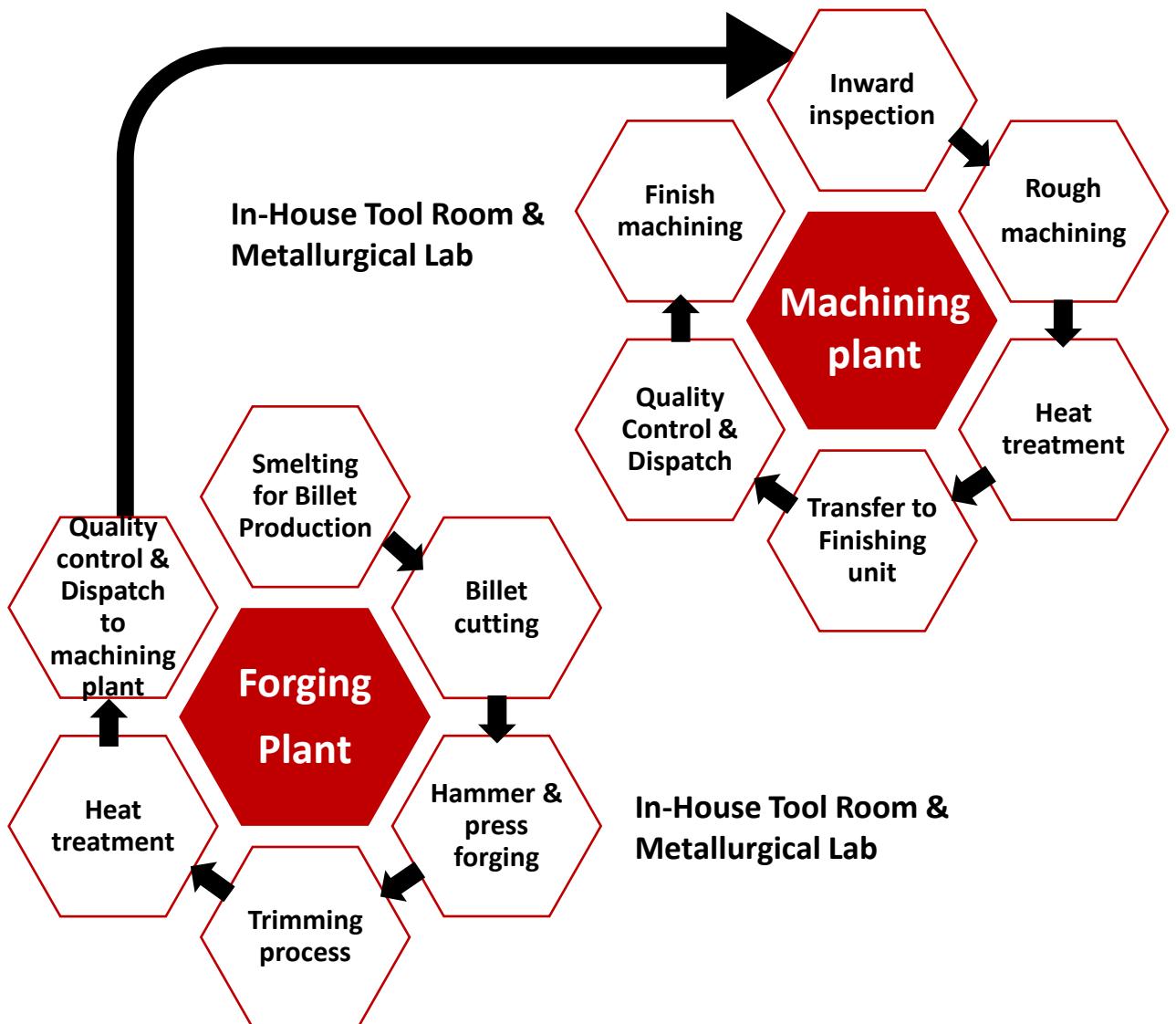
## In This Report, We Cover

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2. How We Do it?
3. Revenue Mix
4. Our Strengths
5. What Next?
6. Business Updates
7. Key Performance Metrix
8. Financial Performance
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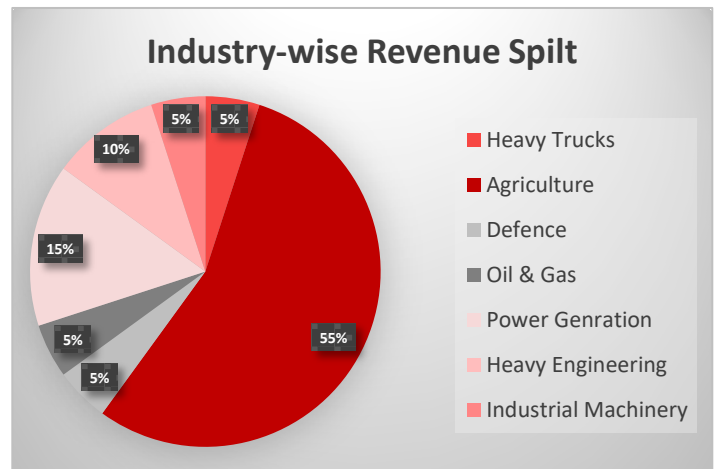
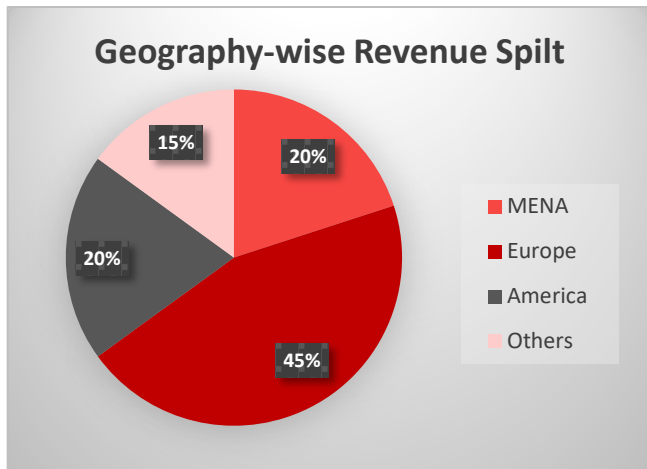
## ABOUT US:

- Balu Forge Industries Ltd (Balu), established in 1989, has evolved as an avant-garde manufacturer of finished and semi-finished crankshafts and forged components
- The Company boasts of a fully integrated forging and advanced precision machining unit 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
- The facility is located in Belgaum, Karnataka and has an existing capacity to produce 18,000 tonnes Forged Components per annum which will be expanded to ~30,000 tonnes in the coming years
- Balu through its subsidiaries has distribution network in over 80+ countries and operates in domestic and export markets

## HOW WE DO IT: OUR MACHINING AND FORGING PROCESS:



## FY23 REVENUE MIX:



## OUR STRENGTHS:

- One of the leading companies in India to mass-produce Crankshafts
- Strong clientele comprising of 25 OEM's
- Diverse range of product offerings like crankshafts, powertrain sub-assemblies, railway wheels, and others
- Expertise in identifying & leveraging opportunities through strategic acquisition of potential assets at reasonable costs
- R&D team comprises of ~45 people
- Fully Integrated Machining Capacity of 18000 tonnes
  - Annual capacity to manufacture 3,60,000 crankshafts
  - Wheel Production capacity of 6,000 wheels per year with a diverse application suitable for railway wagons, passenger coaches & locomotives in various gauges

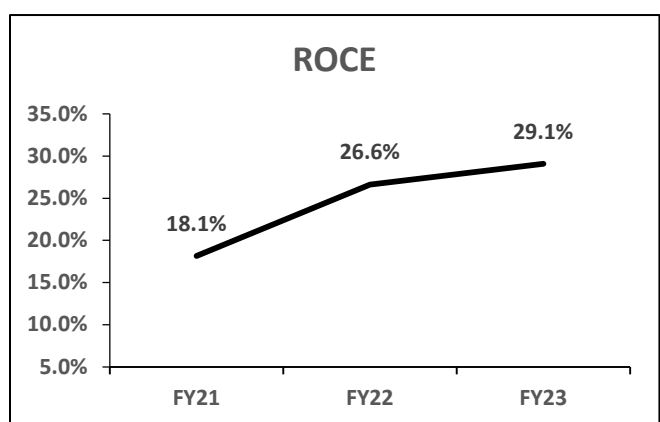
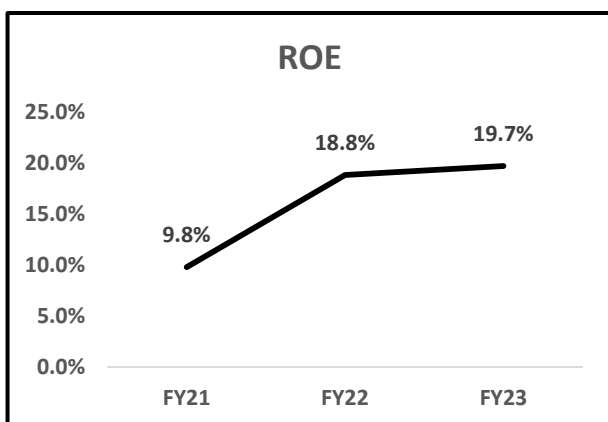
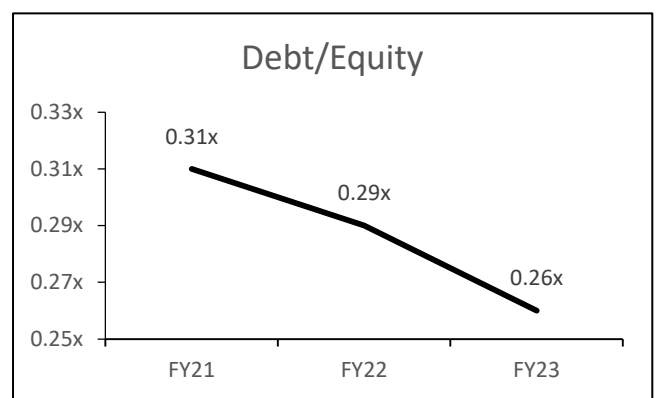
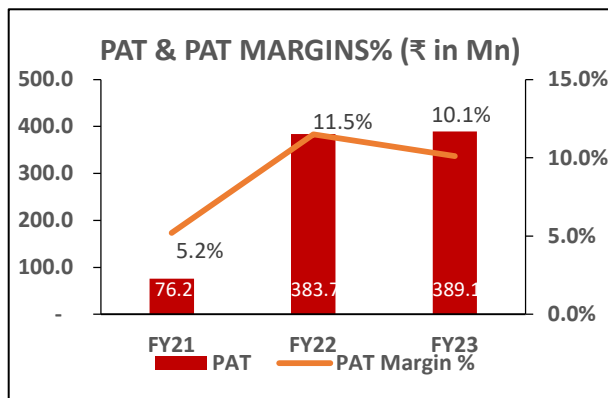
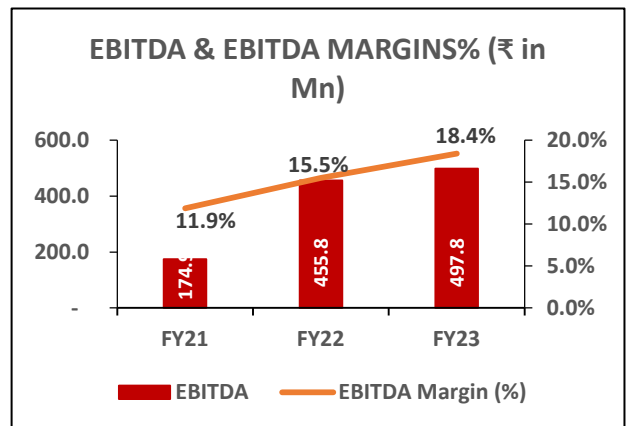
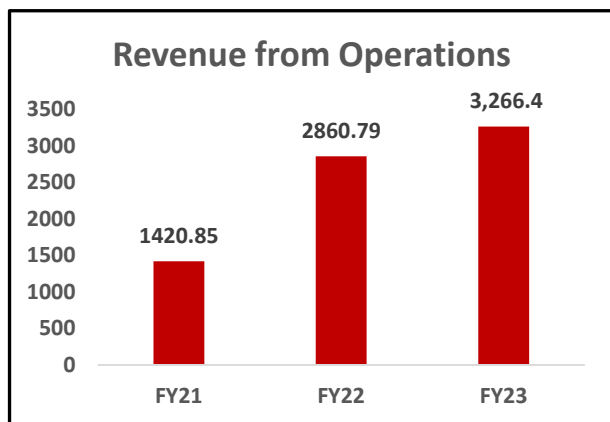
## WHAT NEXT:

- Machining capacity to increase by ~15,000 tonnes post commercialization of Mercedes Benz Plant
- Expanding its footprints in newer geographies
- Developing solutions across the entire spectrum of New Energy Component
- Company to manufacture components weighing 500kgs and upto 2.5 metres long
- Developing components for railway and defence industry
- Developing Powertrain sub-assemblies which will be used in the production of engines that will power a variety of tractors

## BUSINESS UPDATES:

- Balu Forge Industries Ltd received a significant order win to supply Powertrain sub-assemblies from a tractor manufacturer based out of the Middle East.
- CRISIL Ratings rated Balu Forge Industries Ltd with a long-term rating of BBB-/Stable (reaffirmed) and short term rating of A3 (reaffirmed).
- Announced that the company is in the process of setting up a new 52,000 Sq.mt. manufacturing facility in Belgaum, Karnataka.

## KEY PERFORMING METRICS:



## FINANCIAL PERFORMANCE:

Particulars (Rs. Mn)	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	FY23	FY22	YoY%
Revenue from Operations	1,237.8	822.9	50.4%	917.3	3,266.4	2,860.8	14.2%
Other Income	5.5	52.0		2.8	126.5	85.3	
Total Revenue	1,243.3	874.9	42.1%	920.1	3,392.9	2,946.1	15.2%
Total Expenses excluding D&A & Finance Cost	1,031.0	720.3		718.8	2,768.6	2,490.4	
<b>EBITDA</b>	<b>212.3</b>	<b>154.6</b>	<b>37.3%</b>	<b>201.3</b>	<b>624.3</b>	<b>455.7</b>	<b>37.0%</b>
<b>EBITDA Margin (%)</b>	<b>17.1%</b>	<b>17.7%</b>		<b>21.9%</b>	<b>18.4%</b>	<b>15.5%</b>	
Depreciation & Amortization	4.4	2.8		3.2	13.3	10.5	
Finance Cost	35.2	17.0		27.6	105.3	52.3	
<b>PBT before Exceptional Item</b>	<b>172.7</b>	<b>134.8</b>		<b>170.5</b>	<b>505.7</b>	<b>392.9</b>	
Exceptional Items	-	-2.1		-	-	-2.1	
<b>PBT</b>	<b>172.7</b>	<b>132.7</b>		<b>170.5</b>	<b>505.7</b>	<b>390.8</b>	
Tax	20.3	26.4		56.0	116.5	92.4	
<b>PAT</b>	<b>152.4</b>	<b>106.3</b>	<b>43.4%</b>	<b>114.5</b>	<b>389.2</b>	<b>298.4</b>	<b>30.4%</b>
<b>PAT Margin %</b>	<b>12.3%</b>	<b>12.1%</b>		<b>12.4%</b>	<b>11.5%</b>	<b>10.1%</b>	
Other comprehensive profit / loss	-0.4	0.1		0.2	0.9	1.7	
Net PAT	152.0	106.4		114.7	390.1	300.1	
Diluted EPS (In Rs.)	1.8	1.3		1.4	4.7	3.6	

## BALANCE SHEET FY23/FY22:

Particulars (₹ in Mn)	FY23	FY22
<b>Assets</b>		
PP&E	152.9	89.9
Right to Use of Assets	4.2	7.9
Capital WIP	66.7	66.7
Intangible Assets	0.5	0.4
Goodwill	325.4	325.5
Other Financial Assets	5.3	4.9
Deferred Tax Assets (Net)	21.2	-
Other Non-Current Assets	142.8	3.0
<b>Non-Current Assets</b>	<b>719.0</b>	<b>498.2</b>
Inventories	348.2	423.3
Trade Receivables	2,105.2	1,289.6
Cash & Cash Equivalents	51.5	59.2
Other Bank Balances	27.5	12.0
Loans	11.7	3.1
Other Financial Assets	54.7	68.3
Other Current Assets	389.8	490.7
Current Tax Assets (Net)	-	-
<b>Current Assets</b>	<b>2,988.6</b>	<b>2,346.2</b>
<b>Total Assets</b>	<b>3,707.6</b>	<b>2,844.3</b>

Particulars (₹ in Mn)	FY23	FY22
<b>Equity &amp; Liabilities</b>		
Equity Share Capital	833.6	823.2
Other Equity	1,142.7	763.1
<b>Shareholders Fund</b>	<b>1,976.3</b>	<b>1,586.3</b>
Long Term Borrowings	116.9	74.3
Lease Liability	0.2	4.9
Provisions	8.2	7.5
Deferred Tax Liability (Net)	-	0.5
<b>Non-Current Liabilities</b>	<b>125.3</b>	<b>87.1</b>
Borrowings	396.40	390.9
Lease Liability	5.20	3.9
Trade Payables	655.00	452.2
Other Financial Liabilities	409.80	226.2
Other Current Liability	23.00	10.2
Provisions	1.30	1.5
Current Tax Liability (Net)	115.30	86.2
<b>Current Liabilities</b>	<b>1,606.00</b>	<b>1,171.0</b>
<b>Total Equity and Liabilities</b>	<b>3,707.60</b>	<b>2,844.3</b>

## **MANAGEMENT COMMENTARY:**

Commenting on the performance of FY23, the management team of Balu Forge Industries Ltd. stated:

*“It gives me immense pleasure to share that Balu has recorded its highest ever revenue for the period Q4 FY23. On the financial front, our Revenue from Operations grew by 14.2% from ₹ 2860.8 Mn in FY22 to ₹ 3266.4 Mn in FY23 led by expansion in our product offerings and increasing demand for our key products across various industries. EBITDA grew by 37.0% and EBITDA margins have improved from 15.5% in FY22 to 18.4% in FY23 on account of increase in exports, greater contribution from higher margin products and operational efficiency.*

*We continue to remain one of the leading companies in India to supply precision engineered products and in order to maintain our leadership position we are enhancing our machining capacity to reach ~30,000 tonnes post commercialisation of the Mercedes Benz plant. This enhancement will take place at our new manufacturing facility at Belgaum, Karnataka which is expected to be operational by Q2 of FY24.*

*We aim to grow by setting our footprints in newer geographies and diversifying our product capabilities which would include components used in various industries like railway, defence & agriculture. Additionally, we are focused on developing solutions across the entire spectrum of New Energy Components. This will aid us in improving our efficiency while augmenting capacities which will enable us to meet the growing demand for superior and advanced products.*

*We would like to thank our employees for their efforts and our stakeholders for their continued support and encouragement.”*

## **MANAGEMENT GUIDANCE:**

- Revenue is expected to grow in the range of 20.0% - 25.0% in FY24 led by growth opportunities in the various industries like defence, railways, and others
- EBITDA margins are expected to be in the corridor of 22.0%-23.0% for FY24 on the back of increasing scale of operations and efficiencies thereon

## 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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