November 14, 2026

To,
The Listing/ Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

To,
Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051.

BSE Scrip Code: 531112

NSE Trading Symbol: BALUFORGE

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Submission of Investor Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the Investor Presentation of Balu Forge Industries Limited titled "**Investor Presentation – Q2 & H1 FY2027**."

The presentation provides an overview of the Company's business operations, manufacturing capabilities, strategic priorities, growth outlook, competitive strengths and historical financial performance.

The above information will also be made available on the website of the Company at www.baluindustries.com.

This is for your information and appropriate dissemination.

For Balu Forge Industries Limited

JASPAL SINGH CHANDOCK
Date: 2026.11.14 21:38:08 +05'30'

Jaspalsingh Chandock
Managing Director
DIN 00813218

BALU FORGE®

Investor Presentation

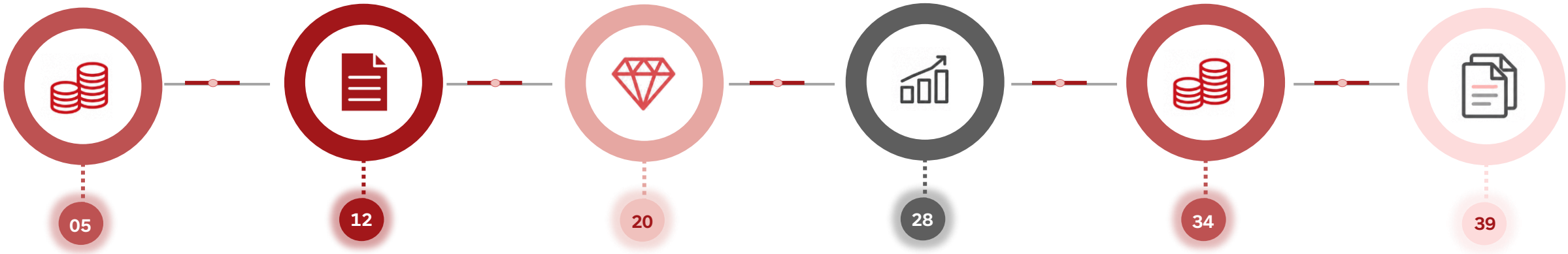
Q2 & H1 FY27 | November 2026

BSE : 531112 | **NSE** : BALUFORGE

Expanding Horizons Getting Future Ready



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Disclaimer

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Management's Message

*"**H1 FY27 has been a record half for Balu Forge**, reflecting the strength of our business and the progress we are making towards the next phase of growth. **Revenue grew 17% to Rs.625 crore, while PAT increased 17% to Rs.143 crore. EBITDA stood at Rs.179 crore, up 15%, with a margin of 28.6%.** Q2 EBITDA margin further improved by **130 bps to 28.9%**. Equally encouraging is the strong cash generation, with **operating cash flow reaching Rs.245 crore, nearly 7x the previous year. Receivables reduced by Rs.31.2 crore**, while **net debt-to-equity remained low at 0.04x**, reflecting our focus on disciplined execution and a stronger balance sheet.*

*Building on our **37-year engineering legacy**, we are entering the next phase of growth by creating a globally competitive, integrated precision manufacturing platform. **Q2 provides the base before our new capacities begin contributing to growth.** We are scaling **forging capacity from 100,000 MTPA to 168,000 MTPA** and **precision machining capacity from 58,000 MTPA to 80,000 MTPA**. Investments in advanced machining, automated forging and specialised manufacturing will enable us to bring more complex, higher-value capabilities in-house and deepen our partnerships with global OEMs.*

*Our business mix is **steadily shifting towards higher-value applications**, with **Defence, Aerospace and Railways contributing nearly 50% of our Rs.2,400 crore order book**. The **new 6.7-metre ring rolling capability** further expands the range and complexity of components we can manufacture. With **defence dispatches underway** and expanded capacities progressively coming on stream, we remain confident of delivering **25–30% revenue growth in FY27.***

*The **promoter group's commitment of up to Rs.162 crore through investments** reflects its confidence in our vision and growth plans. As we move ahead, our focus remains on **technology-led expansion, operational excellence, prudent capital allocation and stronger customer relationships**. Our ambition is not just to grow larger, but to build a globally trusted precision engineering business that creates sustainable, long-term value for all stakeholders."*



Mr. Jaspal Singh Chandock

Chairman & Managing Director



BALU® FORGE

Quarterly Performance

01

A Scaled Precision Engineering Platform with Global Reach



01

From Billets to Precision Engineering

Full-solution manufacturer with in-house capabilities across design, forging, and multi-axis machining.

02

Scaling Advanced Manufacturing

7-axis & 11-axis CNC machining with automated forging lines for tight-tolerance assemblies.

03

Expanding into Defense & Aerospace

Capability upgrades opened a dedicated growth vertical in defense manufacturing.

04

NATO Supply Chain Induction

~50% of order book from Defence, Aerospace & Railways, anchored by a 5-year NATO-affiliated MoU.

05

Ring Rolling Acquisition

One of India's largest ring rolling lines; trials begin before end-2026. Opens 7+ high-value end-markets and import substitution – a multi-year revenue runway.

Key Highlights

REVENUE & PROFITABILITY (FY23-26 CAGR)

- **50%** Revenue
- **82%** EBITDA
- **88%** PAT
- **0.04x** Net Debt to Equity *(H1FY27)*
- **Rs. 2,400 Cr** Order Book *(H1FY27)*

FOUNDED & MANUFACTURING FOOTPRINT

- **1989** Founded — 35+ years incorporated
- **4 Units** 3 in Karnataka + 1 in UAE (54 acres)

Balu Forge Industries Ltd (BFIL) has evolved from a traditional forging house into an integrated, full-solutions precision manufacturer — combining in-house design, forging, and multi-axis machining to serve 80+ countries, with growing depth in Defence, Aerospace and Railways

Key Business & Strategic Updates



Key Business & Strategic Updates

Defence, aerospace, capacity and long-term strategy

1 Defence: Execution Momentum

- **155mm ERFB BB/BT:** First purchase order received; 10,000-unit pilot supply, then monthly supplies.
- **155mm ERFB:** Quality-approved at forging TIR of 3 mm and machined wall tolerance of 0.3 mm; serial dispatches shortly.
- **152mm empty shells** multiple dispatches made against the order announced earlier.
- **105mm empty shells** approval and new orders from two large Indian Ordnance factories; dispatches shortly.

2 Aerospace and Global Customer Wins

- **Aerospace** jet engine components approved against the tightest tolerance; wider aerospace portfolio underway.
- **US oil & gas major** order for components over 450 kgs after successful plant audit.
- **Czech armoured vehicle maker** new purchase order, deepening engagement with European OEMs
- **Pipeline:** Discussions under way with new customers across aerospace, oil & gas and high-precision engineering.
- **Brazil:** Secured a long-term supply contract with Brazil's largest engine manufacturer.

3 Capacity: Ring Rolling Line Acquired

- **One of India's largest** rings up to 6.7 meters (Outer Diameter), 18 MT single product capability
- **Production trial** to commence before end of December, 2026
- **End markets:** Wind, aerospace & defence, nuclear, oil & gas, marine, railway; cuts import reliance

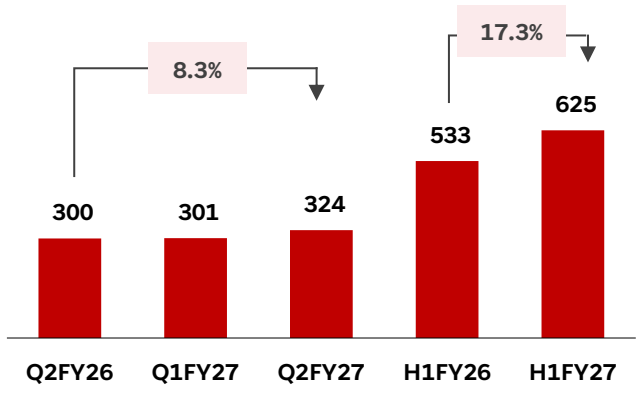
4 Long-Term Defence Strategy

- **NATO certified** mass production of 152mm and 155mm M107 projectiles in 'Ready to Fill' state.
- **Automated Belgaum facility:** robotics-led, military-grade
- **Moving up the value chain:** long-range munitions, multi-alloy forgings incl. aluminium, expanding energetics division

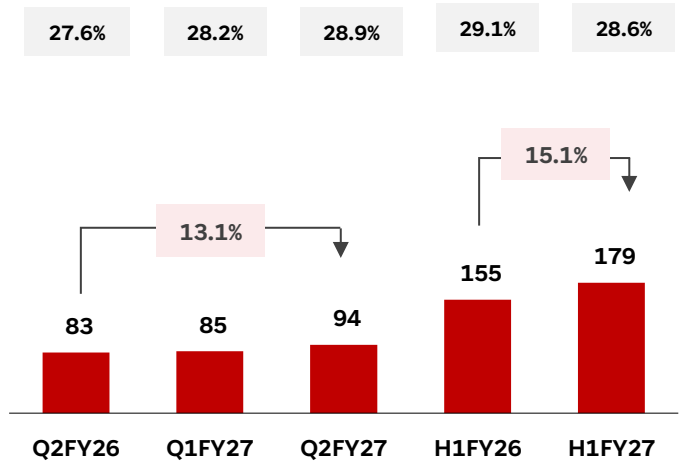
Key Takeaways from Q2FY27

	Revenue	EBITDA	PBT	PAT
Q2FY27	Rs 324.3 Cr *8.3% (YoY)*	Rs 93.7 Cr *13.1% (YoY)*	Rs 90.6 Cr *13.4% (YoY)*	Rs 76.6 Cr *17.8% (YoY)*
H1FY27	Rs 625.1 Cr *17.3% (YoY)*	Rs 178.5 Cr *15.1% (YoY)*	Rs 171.3 Cr *14.3% (YoY)*	Rs 142.7 Cr *16.9% (YoY)*

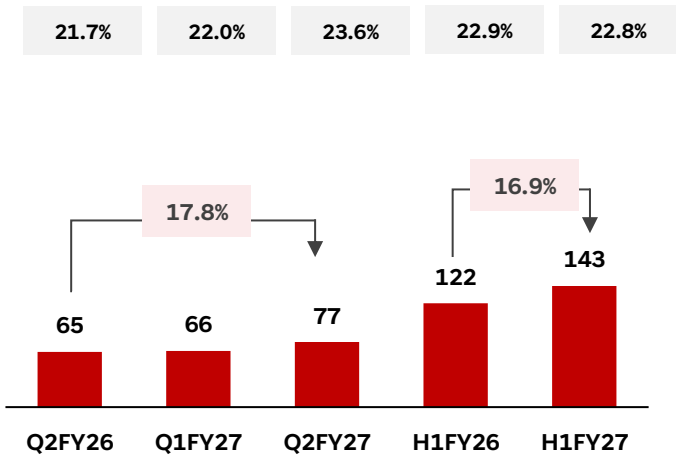
Revenue from Operations (Rs Cr)



EBITDA (Rs Cr) & Margins (%)

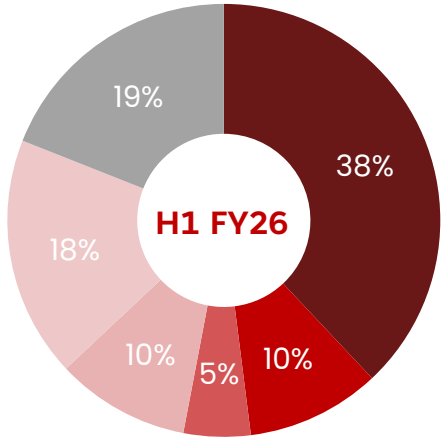


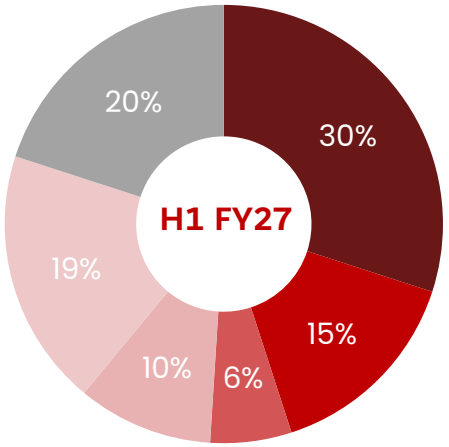
PAT (Rs Cr) & Margins (%)



Revenue & Order book Distribution

Revenue By End-user Industries

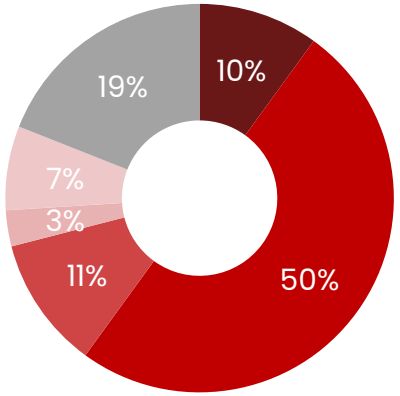




- Agriculture
- Defence/ Aerospace/ Railway
- Oil & Gas
- Power Generation
- Heavy Engineering & Industrial Machinery
- Commercial Vehicles

Industries wise Order Book Split

- Agriculture
- Defence/Aerospace/Railway
- Oil & Gas
- Power Generation
- Heavy Engineering & Industrial Machinery
- Commercial Vehicles



Key Drivers:

- Defence, Aerospace and Railways now contribute approximately 50% of the order book, reflecting the Company's growing presence in high-value engineering segments.
- A balanced contribution from Commercial Vehicles, Agriculture, Oil & Gas, Power Generation and Heavy Engineering provides diversification across end markets.
- The evolving sector mix reflects the Company's strategic shift towards higher-value products and supports its long-term growth objectives.

Q2FY27 Financial Statement (Consolidated)

Particulars (Rs. Cr)	Q2 FY27	Q2 FY26	Y-o-Y (%)	Q1 FY27	Q-o-Q (%)	H1FY27	H1FY26	Y-o-Y
Revenue from Operations	324.3	299.5	*8.3%*	300.7	*7.9%*	*625.1*	532.7	*17.3%*
Other Income	5.9	3.3	*80.1%*	3.9	*53.4%*	*9.8*	5.0	*96.9%*
Total Income	**330.2**	**302.8**	***9.1%***	**304.6**	***8.4%***	***634.9***	**537.7**	***18.1%***
Total Expenses	230.7	216.7	*6.5%*	215.9	*6.86%*	*446.6*	377.6	*18.3%*
EBITDA (excluding Other Income)	**93.7**	**82.8**	***13.1%***	**84.8**	***10.5%***	***178.5***	**155.1**	***15.1%***
EBITDA Margin (%)	***28.9%***	***27.6%***	***130bps***	***28.2%***	***70bps***	***28.6%***	***29.1%***	***(50bps)***
Finance Cost	5.4	4.0	*34.9%*	4.6	*18.2%*	*10.0*	6.3	*60.2%*
Depreciation and Amortization	3.6	2.1	*65.9%*	3.3	*7.6%*	*6.9*	3.8	*79.4%*
Profit Before Tax	**90.6**	**79.9**	***13.4%***	**80.7**	***12.2%***	***171.3***	**150.0**	***14.3%***
PBT Margin (%)	***27.9%***	***26.4%***	***130bps***	***26.8%***	***110bps***	***27.4%***	***28.2%***	***(70bps)***
Tax Expenses	14.0	14.9	*-5.8%*	14.6	*-4.2%*	*28.7*	27.9	*2.8%*
PAT	**76.6**	**65.0**	***17.8%***	**66.1**	***15.9%***	***142.7***	**122.1**	***16.9%***
PAT Margin (%)	***23.6%***	***21.7%***	***190bps***	***22.0%***	***160bps***	***22.8%***	***22.9%***	***(10bps)***
Basic EPS (Rs per share)	6.59	6.08		5.49		*12.08*	10.76	

Capital Allocation to Fuel the Next Phase of Growth

Preferential Share Details

30,00,000
PREFERENTIAL WARRANTS

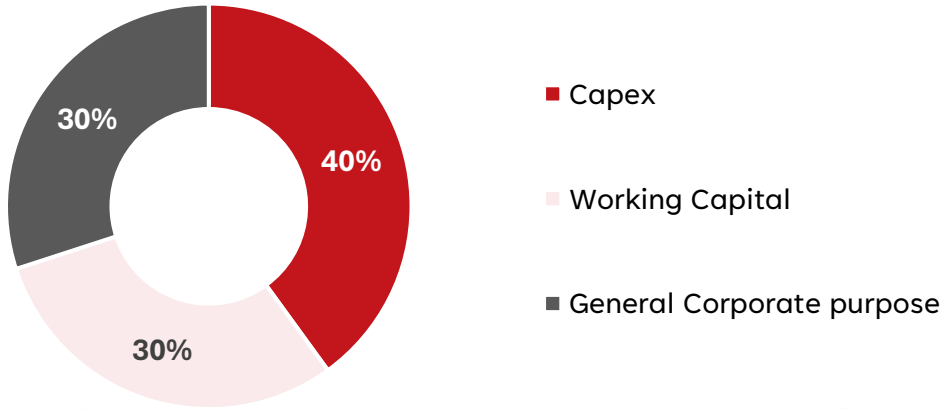
Rs.540
FLOOR PRICE PER WARRANT

Rs.162 Cr
INDICATIVE VALUE AT FLOOR PRICE

PROPOSED ALLOTTEES

NAME	Warrants
Trimaan Chandock (Promoter Group)	15,00,000
Jaikaran Chandock (Promoter Group)	15,00,000
Total Warrants	30,00,000

PROPOSED UTILISATION OF PROCEEDS



Use of FCCB Proceeds

USD 50 Mn
FCCB, as disclosed in the Q1 release

INR 300 Cr | Capex

Heavy forging lines incl. ring rolling and hydraulic press; more defence ammunition capacity against a strong order book

INR 150 Cr | Balance sheet

Retire Indian working-capital limits; saves ~200–250 bps of interest cost after hedging

BALU FORGE

Business Overview

02



Our Capabilities

Advanced Forging

BFIL offers cutting-edge forging capabilities with its advanced GERB technology.

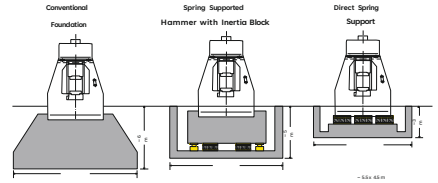
25 Ton, 16 Ton, 10 Ton Hydraulic Hammer, 8000 Ton Mechanical Press & Ring rolling line with 6.7 outer diameter

- Hydraulic Power Head.
- Enhancing capacity of the Hammer, resulting in significant energy saving.
- Anti Vibration Technology from GERB Germany.
- Increases accuracy and enhances life of the Presses and Hammers.

Forging Capacity: **100,000+** MTPA

(Will increase to **168,000** MTPA)





















Our Capabilities

Precision Machining

BFIL specializes in precision machining with advanced 5, 7 & 11-Axis CNC and precision grinding capabilities.

Machining Capacity: **58,000+** MTPA

(Will increase to **80,000** MTPA)



7 Axis Machining

Our advanced 7-axis machining delivers superior precision and efficiency for complex manufacturing, easily creating intricate details that traditional methods cannot achieve.



11 Axis Machining

Our advanced 11-axis machining delivers unmatched precision and efficiency for complex parts, easily handling intricate geometries and tight tolerances with faster turnarounds.



CBN Grinding

High-precision CBN grinding machines efficiently manufacture complex parts like cutting tools and auto components by performing multiple operations in a single setup.

Heavy Duty CNC Grinding



Heavy-duty CNC grinding delivers precise, repeatable finishing for large components, ensuring tight tolerances and superior surface quality.

5 Axis Turnmill



The 5-axis CNC Turnmill combines heavy-duty turning and multi-axis milling to efficiently machine medium to large, tight-tolerance components with fewer setups and faster turnarounds.











Manufacturing Support Infrastructure

METALLURGICAL TESTING LABORATORY

- State-of-the-art testing lab at the Hattargi plant
- Covers chemical, mechanical, and microstructure testing
- Testing aligned with ASTM/ISO standards
- Pursuing NABL accreditation





HEAT TREATMENT SHOP

- Continuous Pusher Type facility with Hardening and Tempering lines
- Advanced PLC & SCADA-based process automation
- Consistent, high-quality heat treatment output
- Reliable quenching and material handling systems





DIE SHOP & TOOL ROOM

- Fully integrated in-house tool room
- Advanced machining centers for die fabrication
- In-house production of dies, jigs, fixtures & tooling
- Among the shortest tooling lead times in the market





PAINT SHOP & SHOT BLASTING

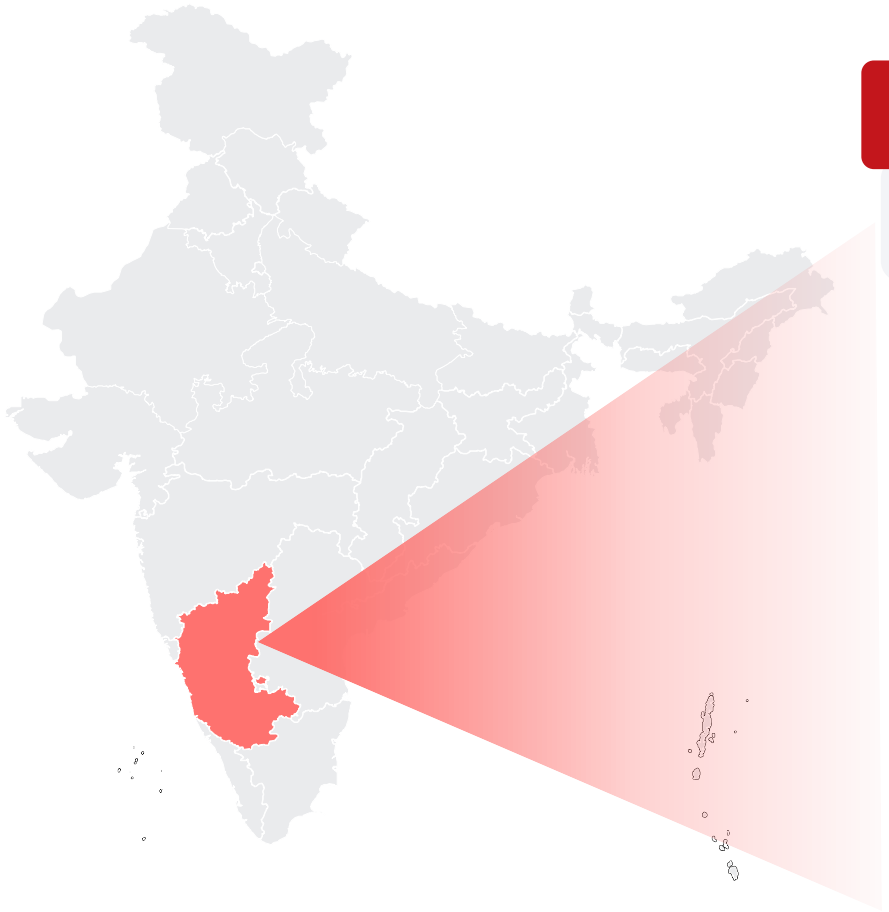
- Highly automated industrial coating system
- Powder coating for durability & corrosion resistance
- Automated phosphating for large components
- Supports automotive, defence & industrial sectors
- Shot blasting for surface preparation and scale removal





Strategically Located Manufacturing Facilities

Karnataka, India - 3 Units, 53 Acres

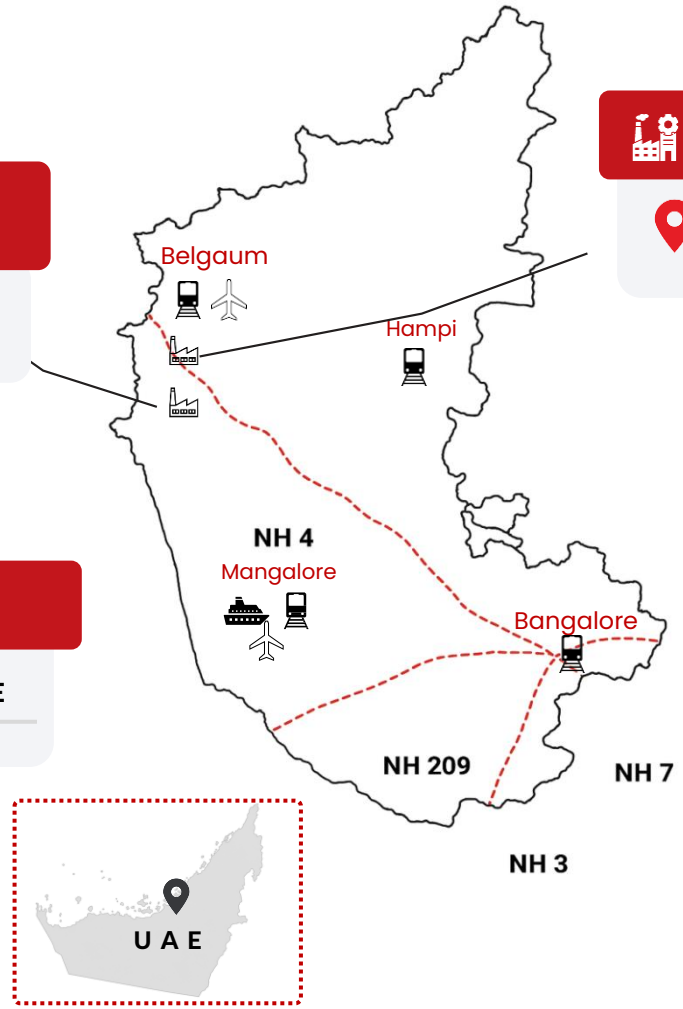


Unit 1 – 5 Acres
Unit 2 – 2 Acres

Belgaum

Unit 4 – 1 Acre

Ras Al Khaimah, UAE



Unit 3 – 46 Acres

Hattargi

Scan for more Information:

4 Manufacturing Facilities | 1 Port | 2 Airport | 4 Railway Station | 4 National Highway

Moving Up the Value Chain into Higher- Value Applications

From raw material to mission-critical applications, value is added at every stage

Value compounds at every stage

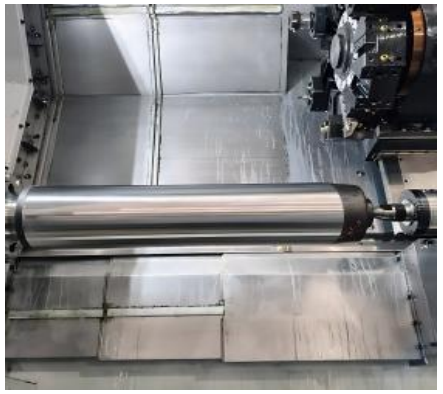
Each step adds precision, complexity and strategic worth to what we make.



01

FORGING

Shaping strength at the source



02

PRECISION MACHINING

Turning potential into precision



03

COMPLEX GEOMETRIES

Enabling intricate designs



04

CRITICAL COMPONENTS

Built for performance and reliability



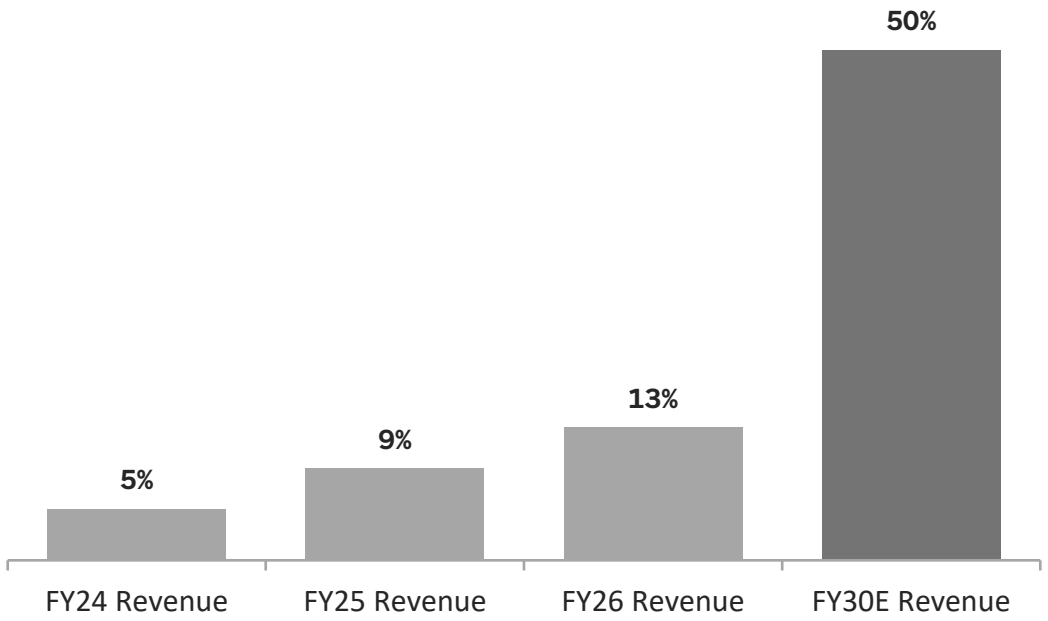
05

HIGHER-VALUE APPLICATIONS

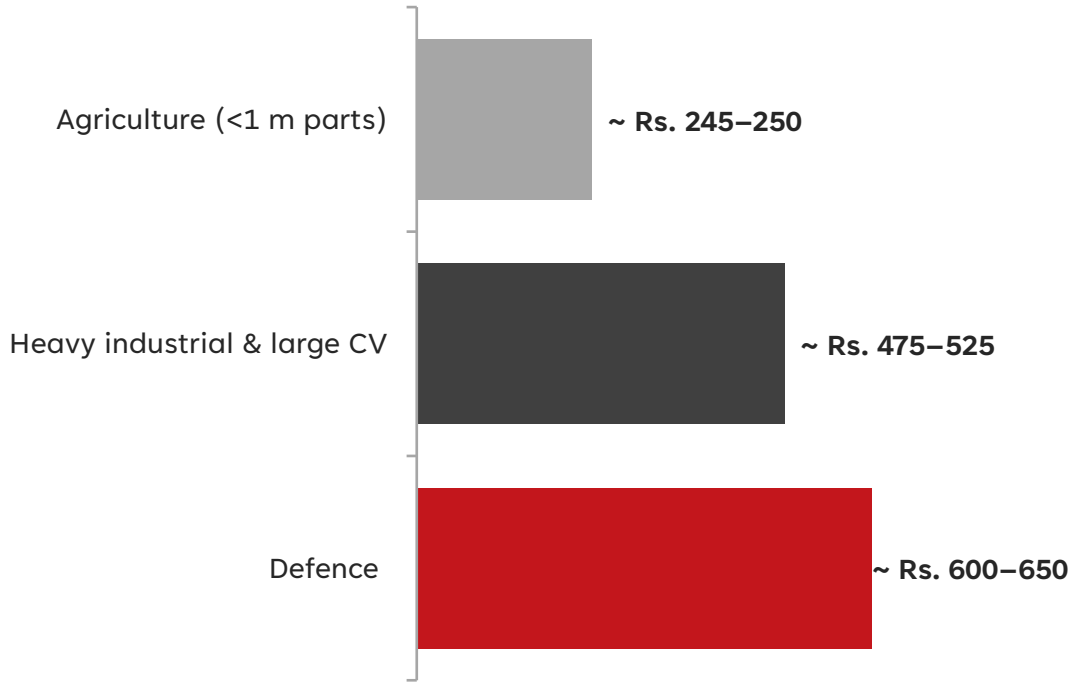
Powering progress across industries

Beyond Agriculture: Defence Reshaping the Order Book

Defence, Aerospace & Railways share (%)



Realisation per kg (Rs.) by segment

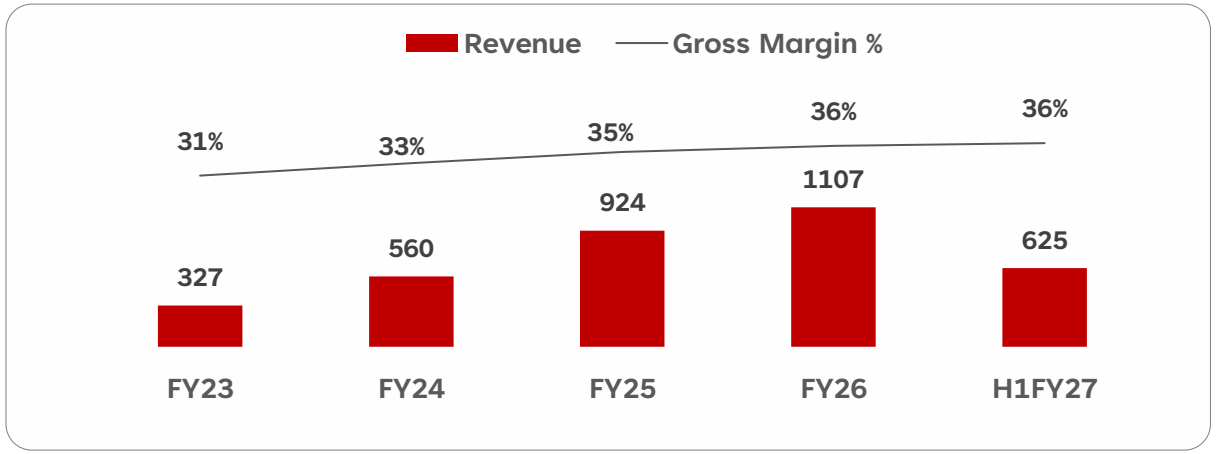


Total Order Book as on 30th September 2026 is standing at Rs. 2,400 Cr

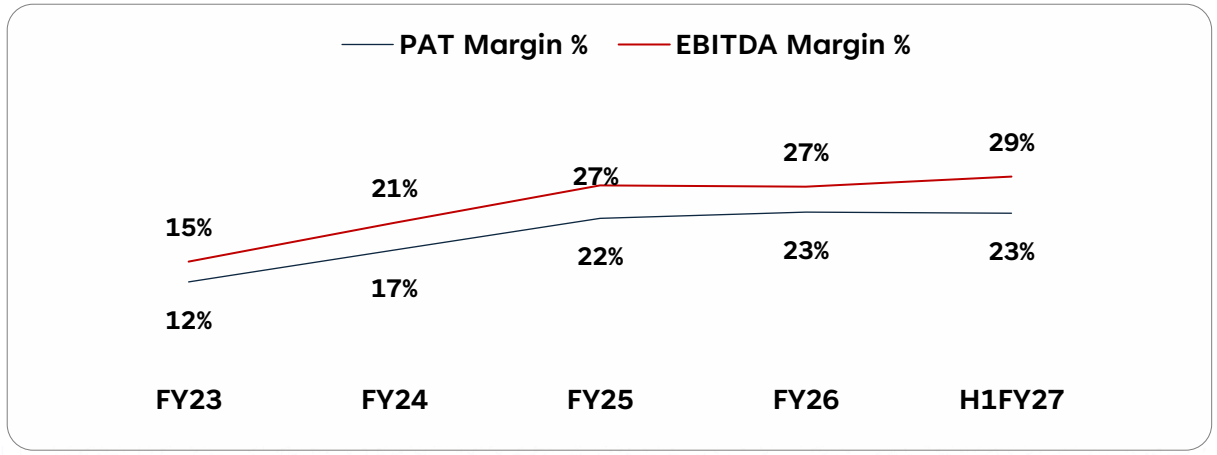
Delivering Stakeholder Value Consistently

Topline has compounded 50% since FY23, while EBITDA margin has nearly doubled

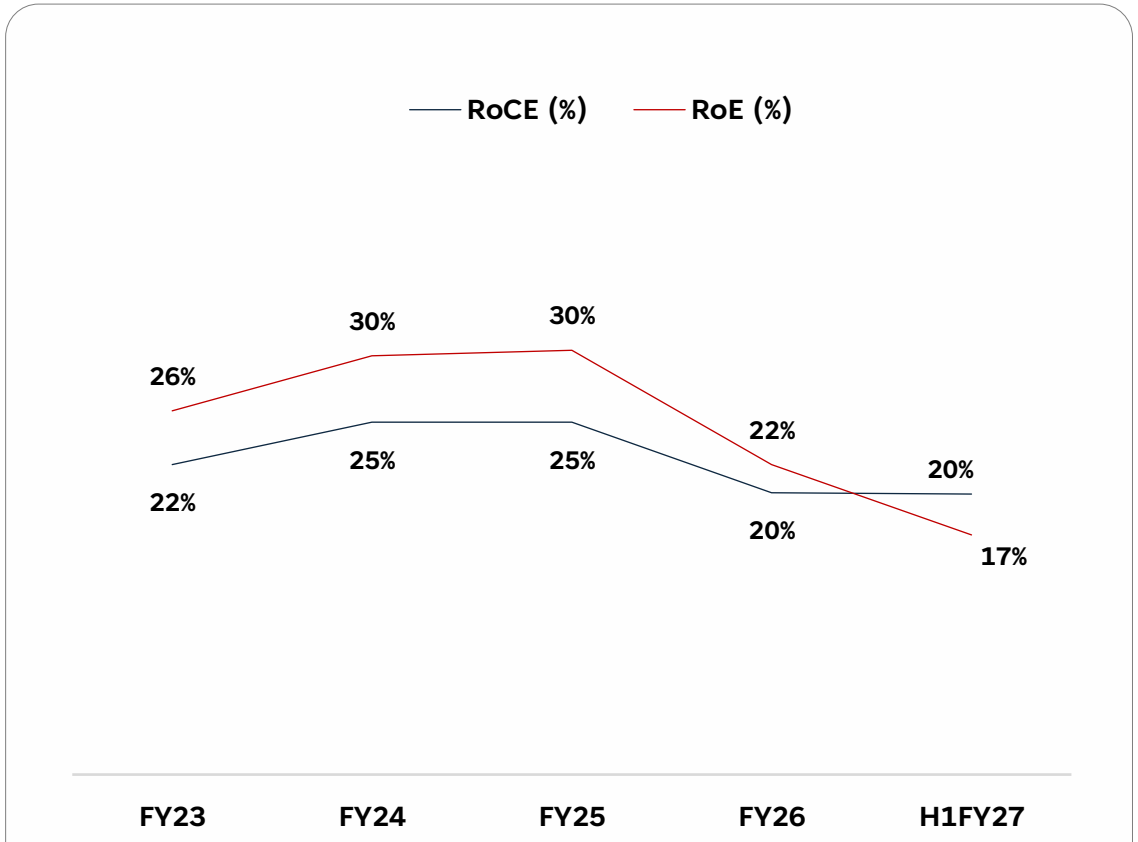
Revenue (Rs. in Cr) & Gross Margin (%)



PAT (Rs. in Cr) & EBITDA Margin (%)



ROCE & ROE (%)



Note: *The decline in RoCE and RoE reflects changes in the equity and debt base. However, the company maintained its RoCE in H1 FY27, demonstrating its operational resilience.*



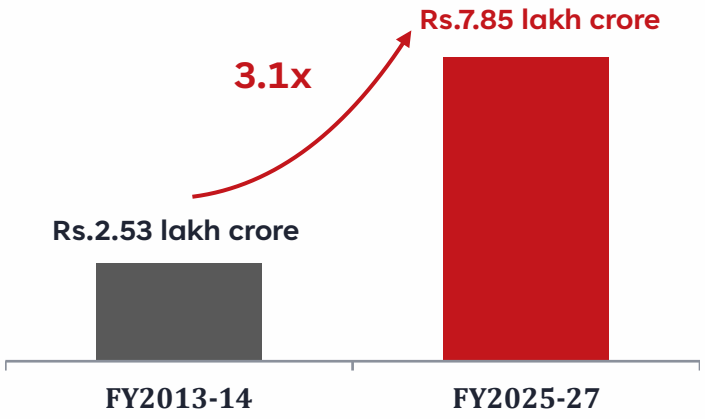
Strategic Priorities

03

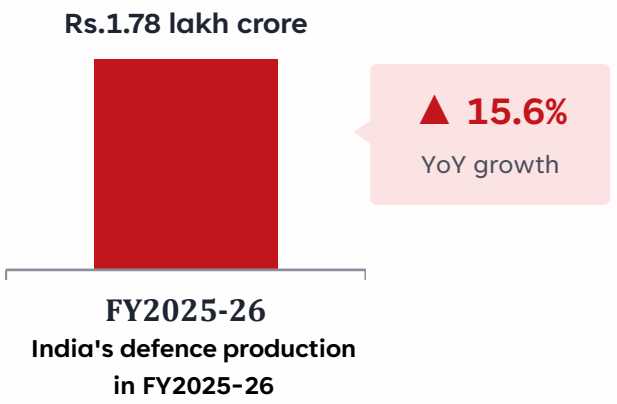
Taping into India's growing Defence Opportunity

Rising Defense Spends. Higher Indigenization. Expanding Opportunities.

India's Defence Budget Has Tripled in a Decade Higher allocation reflects strong focus on indigenization and self-reliance



Growing Domestic Production India's defence production continues to gain strong momentum



Balu Forge Opportunity | **Well positioned to benefit from India's growing Defence and aerospace ecosystem**

Defence Exports at Record High

Rs.38,424 crore

▲ 62.66%
YoY growth

Defence exports in FY2025-26



Rising Private Sector Participation

24%

(~Rs.42,000 crore)

Private sector share of defence production in FY2025-26





Indigenization
Growing focus on domestic manufacturing



Precision Components
Higher precision and complex parts



Defence & Aerospace
Expanding demand across platforms



Higher-Value Applications
Long-term, sustainable growth opportunities

Sources: Ministry of Defence / PIB, FY2025-26 & FY2026-27; accessed Sep 2026.

Defence & Aerospace Order Pipeline

Defence and aerospace orders are building, supported by a focused growth strategy

Order pipeline: disclosed programmes

PROGRAMME	SIZE	TIMELINE / STATUS
5-years large-calibre ammunition MoU (155 mm M107 and 152 mm) NATO-affiliated entity	30,000+10,000 units per month; USD 315/unit	Partial Dispatches commenced; **contracted volumes exceed current capacity**
152 mm artillery shells Major Indian energetics company	30,000 units	Supplies from June 2026; volumes expected to **scale beyond 100,000**
155 mm ERFB BB/BT shells	10,000 Units	10,000-unit pilot batch, then monthly deliveries
Aerospace: maiden order	22 SKUs received	2 SKUs in supply and prototyping; management sees **up to INR 250 Cr in 3 years**
105 mm shells	15,000 Units	Order from major Indian defence factory

Strategic levers

High-Value Sectors

Defence: Critical components and platforms
Aerospace: Precision assemblies for next generation programs
Power Generation: Components for a cleaner and more sustainable tomorrow
Heavy Engineering: Precision-engineered solutions for complex industrial applications.

Technology Upgrade

Invest in **automation, advanced materials and precision manufacturing**

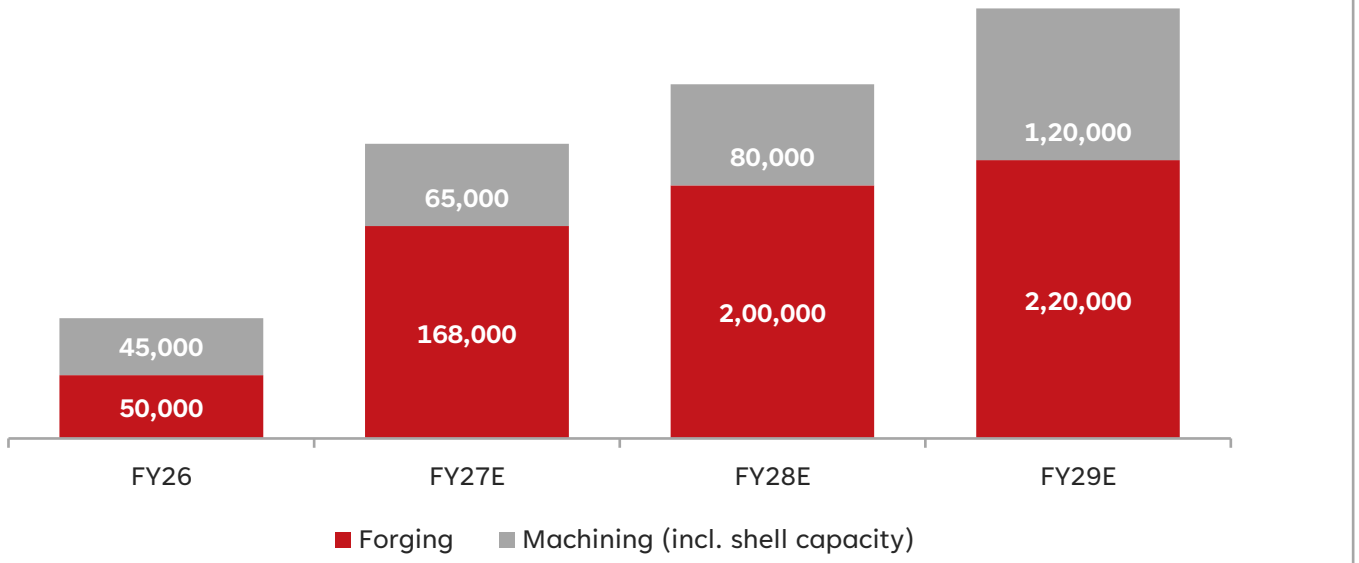
Global Expansion

Strengthen **global OEM relationships** and pursue selective acquisitions

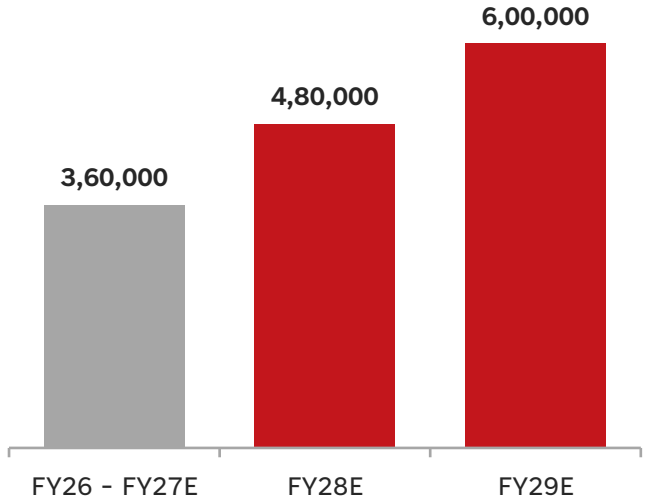
Capacity Expansion Roadmap

Commercialised Capacity Roadmap: FY26 to FY29E

Forging & machining capacity (MTPA)



Empty shells (units p.a.)



Forging capacity triples and empty-shell capacity rises ~1.7x as the Hattargi campus is completed

SAFA OTOMOTIV FZ LLC

Safa Otomotiv operates an assembly facility in Ras Al Khaimah, UAE, supplying powertrain subassemblies to customers across the MENA region. The RAKEZ-leased facility is equipped with assembly lines, test benches and other testing infrastructure. The company qualifies as a QFZP, benefiting from 0% corporate tax on qualifying income, while non-qualifying income is taxed at 9%.

WHAT SAFA SUPPLIES



Short Block



Long Block

Product	Scope
Short block	Engine Block, crankshaft, connecting rods, pistons and rings, main bearings
Long block	All short block components plus cylinder head, camshaft, timing components, valvetrain, gaskets and seals, oil pump
Sub-assemblies and components	Powertrain sub-assemblies, precision parts to OE specs

100%
Wholly owned by Balu Forge

~15,000→21,000
Annual assembly capacity (+40%) in existing leased facility

0%
UAE tax on qualifying free-zone income (QFZP)

9%
UAE tax on non-qualifying free-zone income (QFZP)

APPLICATIONS

Safa's powertrain sub-assemblies serve a range of demanding end markets, including power generation, agriculture, commercial vehicles, and oil and gas.



Power Generation



Agriculture



Commercial Vehicles



Oil & Gas

Strategic Advantages

Duty-Free Sourcing and Free-Zone Tax Benefits Support Asset-Light Operations and High-Quality Growth

Duty-free sourcing: In the RAKEZ free zone, imported parts are admitted without customs duty and can be held with no time limit. Re-exported assemblies also carry no duty, so no tariff cost sits in Safa's inventory or pricing.

Best-in-class quality: Every bought-out component comes from trusted manufacturers and passes strict quality control. Each finished sub-assembly is then run on a test bench before supply.

Global supplier choice: With no import duty to protect a local supplier, Safa can pick vendors on quality, price and lead time alone, and switch or dual-source without a tariff penalty.

Asset-light scaling: Buying out parts avoids capex in casting and machining blocks and heads. This is what lets capacity rise from 15,000 to 21,000 engines inside the existing leased facility.

Tax-efficient: Safa is a Qualifying Free Zone Person in RAKEZ: 0% UAE corporate tax on qualifying income, 9% on non-qualifying income. The FY26 annual report discloses the subsidiary through the AOC-1 and related-party notes, covering the leased RAKEZ assembly operation (powertrain sub-assemblies for MENA) and this tax position.

Ring Rolling Acquisition

One of India's largest ring rolling lines — a new scale advantage for Balu Forge

01



The Acquisition

- State-of-the-art ring rolling line: 6.7 m max OD, 18,000 kg max ring weight
- One of India’s largest ring rolling capabilities. Trials begin before end-2026

02



Competitive Edge

- Ultra-large ring rolling is capital-intensive and technically demanding
- Very few Indian peers operate at this scale, creating a defensible moat

03



Markets Unlocked

- Wind
- Aerospace & defence
- Space
- Nuclear/power
- Oil & gas
- Heavy mining
- Marine
- Rail

04



Future Upside

- Space- and nuclear-grade components
- Deeper offshore-wind and defence participation
- Together, these open a multi-year revenue runway

KEY BENEFITS

Scale Leadership
One of India's largest ring rolling lines

Import Substitution
Less reliance on imported ultra-large forgings

Sector Diversification
Access to 7+ high-value end-markets

Revenue Runway
A new multi-year growth avenue

This acquisition expands Balu Forge's presence across seven high-value industries, strengthening its global precision engineering capabilities.

Growth Strategy and Outlook

Strong revenue growth with sustained EBITDA Margins

80,000 Tonnes
Tonnage FY30E

30–33%
EBITDA Margin

21–24%
PAT Margin

KEY GROWTH DRIVERS

01 **Expected Realization Per Kg**
Blended realization will go up to Rs. ~ 400/kg by FY30E

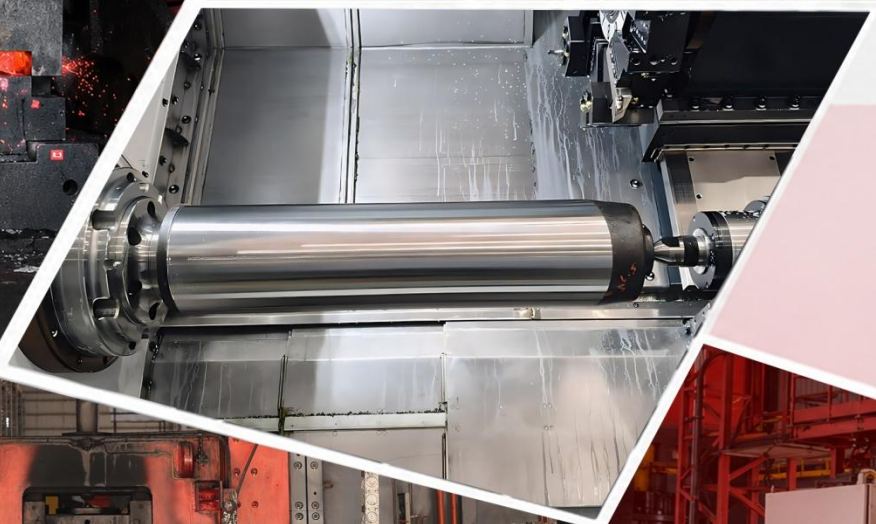
02 **Increase Global demand of High-tech goods**
~30 OEMs (from 25); 12 new customers added in the most recent quarter

03 **Defence and Railway lead orderbook**
~50% of order book; Defence share of revenue 13% to 50% by FY30E (model)

04 **Backward integration**
In-house forging adds 500–700 bps to margin











BALU FORGE

What Sets Us Apart

04

Long- Term OEM Relationship; High Entry Barrier

High Entry Barriers | Long Customer Lifecycles | Predictable, Multi-year Revenues

OEM QUALIFICATION JOURNEY

01 OEM Engagement
Understand requirements and technical specifications

02 R&D + Prototype
Design, develop and test prototypes

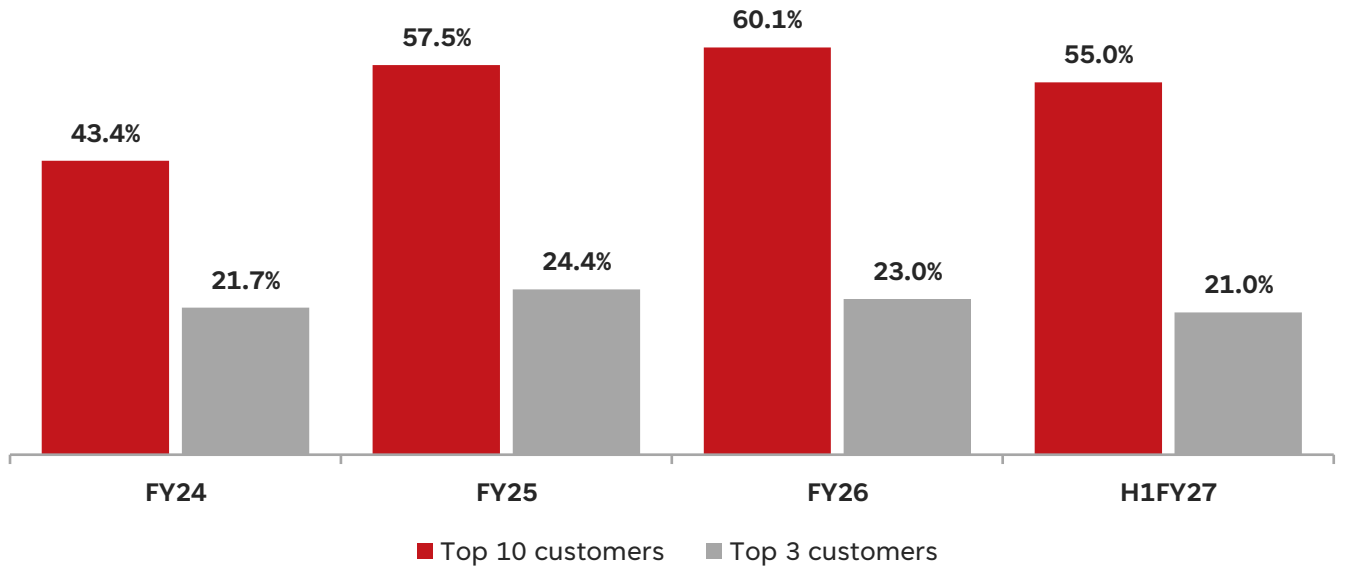
03 Qualification & Validation
Rigorous product testing and OEM approvals

04 Series Production
Scale up manufacturing with consistent quality and delivery

05 Long-Life Supply Relationship
Integrated into OEM's **supply** chain with multi-year visibility

Share of revenue (%)

Broadening Customer Base: Top-10 Revenue Contribution Expected to Moderate from 60% to ~45%



25+
Global OEMs
Trusted by leading OEMs worldwide

80+
Countries
Global footprint across 80+ countries

180+
Products Approved
Across multiple end-markets and applications

Expanding Capabilities Through Strategic Fixed Asset Acquisitions

Strategic assets and capabilities acquired at highly attractive terms, enabling significant capacity expansion at a fraction of the replacement cost.

1 Ursus SA
Poland | 2006

Acquisition & Installation of the Ursus Manufacturing Plant from Ursus, Poland

2 Thyssenkrupp AG
France | 2010

Acquisition & Installation of the Thyssenkrupp Plant from L'horme, France

3 Mercedes-Benz Truck AG
Germany | 2021/2022

Acquired the Precision Machining Unit of the Mercedes Benz Truck factory from Mannheim, Germany

4 25T, 16T, 10T hammers & 8,000T press
Romania | 2024/2025

Installed at **46-acres** greenfield campus in Belagavi, Karnataka, adding **high-capacity forging capabilities.**

5 7-axis and 11-axis machines
UK | 2024/2025

Added **advanced multi-axis machining** capability, enabling complex, high-precision components.

6 Automated empty-shell line
India | 2024/2025

Commissioned automated empty-shell line with capacity of **360,000 shells p.a.**

7 Ring Rolling Production line
South Korea | 2026

Commissioning of **large-format ring rolling line** with a maximum ring weight of 18 MT and outer diameter of 6.7 m.

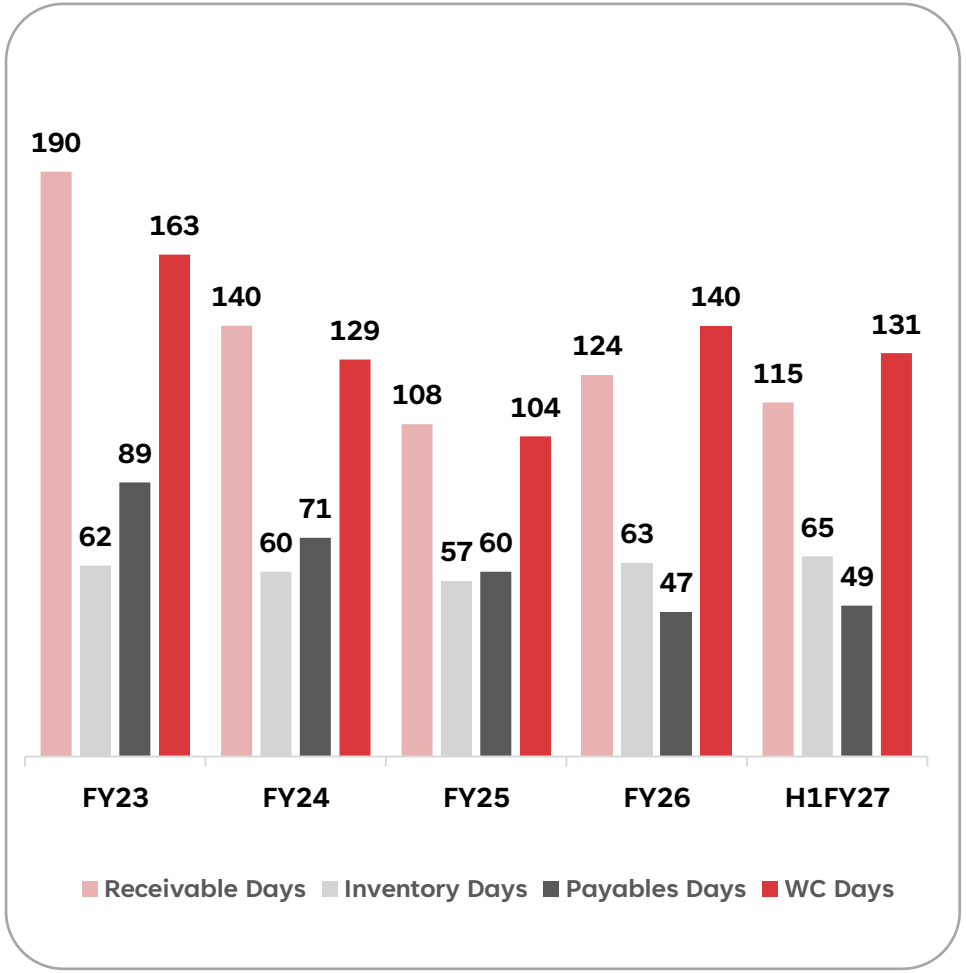
CAPACITY ADDED

Asset	Year	Capacity addition
Ursus (Poland) + ThyssenKrupp (France) Plants	2006 / 2010	18,000 MT (machining)
Mercedes-Benz / Daimler machining line (Germany)	2021 / 2022	14,000 MT (machining)
Forging lines: 25T, 16T, 10T hammers, 8,000T press	2023 / 2024 / 2025	132,000 MT (captive use) (Forging)
7-axis, 11-axis machines, Heavy Duty CNC Grinding and 5 Axis Turnmill	2024 / 2025 / 2026	30,000 MT (machining)
Automated empty-shell line	2024 / 2025	360,000 shells p.a. (Forging +Machining)
Ring Rolling Production line	2026	18,000 Tonnes (Forging)

Working Capital: Path Back to 100–120 Days

Debtor days to stabilize at 100–120; inventory days to fall to 45 by FY29E

Cash Conversion Cycle (in Days)



Days	FY27E	FY28E	FY29E
Debtor days	100–120	100–120	100–120
Inventory days	65	62	45

Working Capital Limits Position Expected to Normalize in Coming Quarters

- Shipping disruptions, Port closures and delayed customer payments towards the end of FY26 led to higher receivable days and increased working capital requirements.
- The delayed receivables were collected by the end of September.
- Cash generated during H1FY27 will be utilizes to reduce the Working capital limits and Tax dues.

115	131	245 Cr
Debtors Days	Cash Conversion Cycle	Positive Operating Cash Flows

Strong R&D Opens Door to New, High-Value Markets

Innovation | Precision | Efficiency | Future-ready Solutions



- Engineering advanced solutions for a stronger tomorrow
- Nearly 4 decades of domain expertise
- 75+ R&D specialists in metallurgy, tooling & process engineering

KEY FOCUS AREAS

Product Development
Complex, precision-forged components

Process Innovation
Automation that lifts efficiency, cuts cost

Quality & Compliance
Testing to global and customer standards

Material Development
New chemistries and innovative metals

NEW MARKETS UNLOCKED

Aerospace
High-precision, mission-critical components

Defence
Engineered for reliability and safety

Railways
Durable solutions for the future of mobility

Energy (Oil & Gas)
Components for demanding environments

Customer Lifecycle and long product journey:
(15 to 20 years)

› **2–3 months**
Research & Application

› **3–5 months**
Product Development

› **15–20 years**
Customer Lifecycle

QUALITY CREDENTIALS

- **ISO 9001:2015** — Quality management
- **IATF 16949** — Automotive quality
- **ISO 14001:2015** — Environmental
- **ISO 45001:2018** — Health & safety

Investment Thesis

Capability-led Investment opportunity

Capability expansion

Ursus, Thyssenkrupp, Mercedes-Benz and Ring Rolling acquisitions plus the new Belagavi hydraulic hammers, give Balu Forge a rare forging-to-machining stack few peers can match — a genuine moat that opens the door to higher-value programs and stickier customers.

Order-book transformation

Defence, aerospace and rail now make up ~50% of the order book, up from low single digits three years ago — a shift toward higher-margin, longer-cycle, mission-critical work that justifies a premium valuation multiple.

Revenue lag effect

Reported revenue still reflects yesterday's lower-value book; the ~50% high-value order mix has barely flowed through yet. That gap is unrecognised, embedded growth — an investor today effectively buys tomorrow's higher-value revenue at today's price.

Operating leverage

EBITDA margin has nearly doubled to 27% and PAT margin more than doubled to 23% since FY22, proving the model scales profitably. As new capacity fills and the richer mix compounds, further margin expansion — and earnings upgrades — look likely.

The industry has one of the highest barriers to entry due to high capex, long development/product approval process & complex customer acquisition cycle

BALU FORGE

Historical Financials

05



Historical Profit and Loss Statement

Particulars (in Cr)	FY23	FY24	FY25	FY26	H1FY27
Revenue from Operations	326.6	559.9	923.6	1,107.4	625.1
Revenue Growth %	*14.2%*	*71.4%*	*65.0%*	*19.9%*	*17.3%*
COGS	226.8	376.3	602.6	709.6	397.2
Gross Profit	**99.8**	**183.5**	**321.0**	**397.8**	**227.8**
Employee Benefit Expense	8.0	13.5	23.5	35.2	23.3
Other Expense	42.1	50.9	46.3	63.1	26.0
EBITDA	**49.8**	**119.1**	**251.1**	**299.5**	**178.5**
% Margins	*15.2%*	*21.3%*	*27.2%*	*27%*	*28.6%*
Depreciation & Amortization	1.3	2.05	3.35	10.0	6.9
Profit Before Interest & Tax	**48.5**	**117.1**	**247.8**	**289.6**	**171.6**
Finance Cost	10.5	13.6	11.0	16.5	10.0
Other Income	12.7	10.2	17.1	32.9	9.8
Exceptional Item	-	-	-	-	-
Profit Before Tax	**50.6**	**113.7**	**253.9**	**306.1**	**171.3**
Tax	11.7	20.2	50.1	47.2	28.7
Net Profit	**39.0**	**93.5**	**203.9**	**258.9**	**142.7**
PAT Margin (%)	**11.9%**	**16.7%**	**22.1%**	**23.4%**	**22.8%**
Earnings per share (Rs.)	**4.7**	**9.8**	**19.2**	**23.9**	**12.1**

Historical Balance Sheet

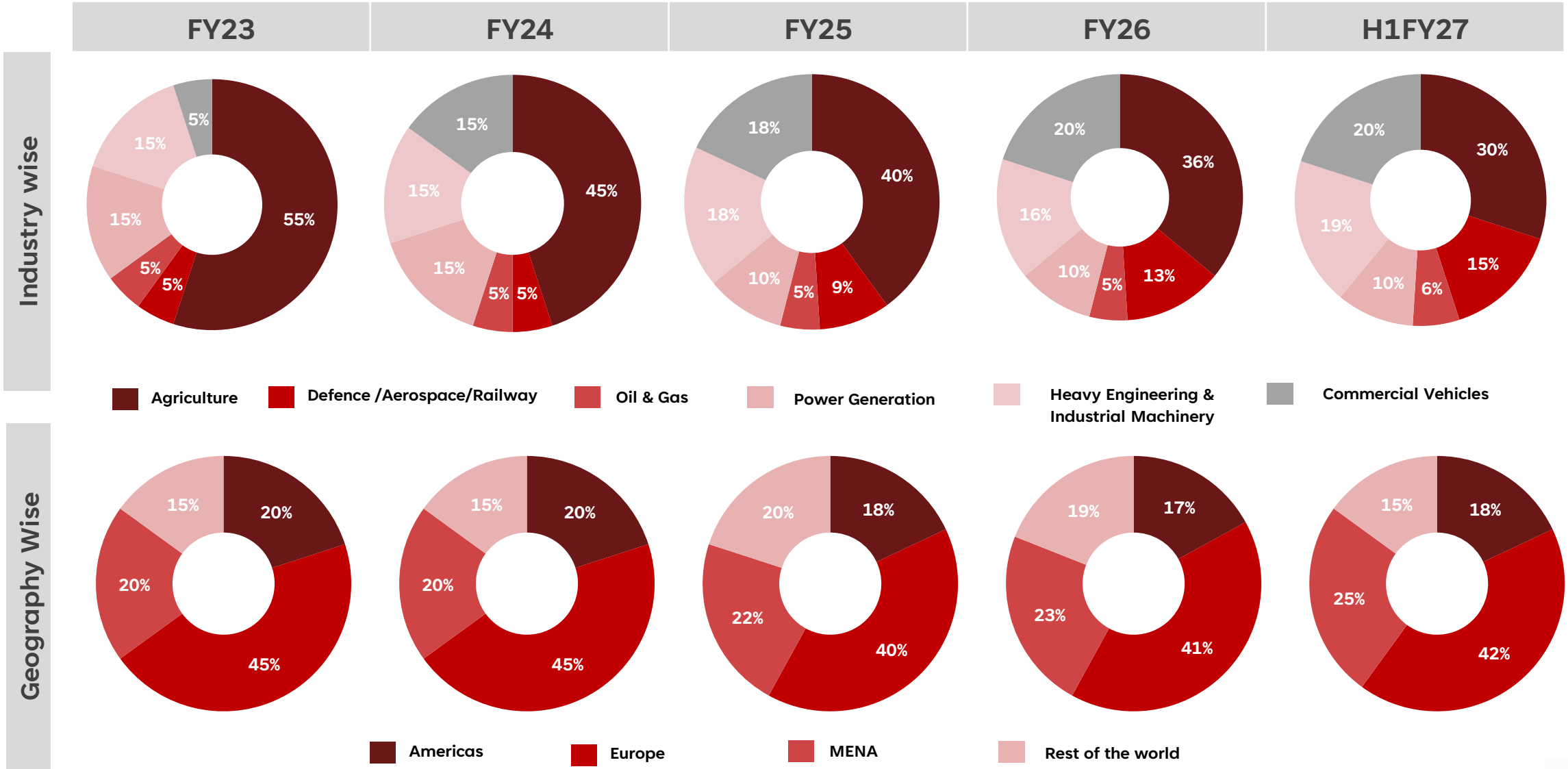
Particulars (in Cr)	FY23	FY24	FY25	FY26	H1FY27
Equity					
Equity share capital	83.4	102.6	110.8	121.4	121.4
Other equity	114.3	450.4	942.5	1,473.1	1,619.8
Non-controlling interests	-	-	-	-	-
Total Equity	**197.6**	**553.0**	**1,053.2**	**1,594.5**	**1,741.2**
Non-current liabilities					
Financial liabilities					
(a) Borrowings	11.7	24.8	16.1	10.7	6.2
(b) Lease liabilities	0.0	0.0	3.9	20.2	19.6
Provisions	0.8	0.9	1.2	1.2	1.3
Deferred tax liabilities (net)	-	-	-	-	2.0
Total Non-Current Liabilities	**12.5**	**25.8**	**21.1**	**32.2**	**29.0**
Current liabilities					
Short term borrowings	39.6	23.9	19.9	116.0	183.0
Trade payables	65.5	80.6	118.0	63.1	107.7
Short terms Provisions	0.1	0.2	0.2	0.3	0.4
Current Tax Liabilities	11.5	16.6	31.8	32.1	56.6
Other current liabilities	43.8	12.4	7.9	12.7	28.9
Total Current Liabilities	**160.6**	**133.7**	**117.9**	**224.1**	**376.6**
Total Equity and Liabilities	**370.8**	**712.5**	**1,252.2**	**1,850.8**	**2,146.9**

Particulars (in Cr)	FY23	FY24	FY25	FY26	H1FY27
Non-Current Assets					
Property plant and equipment	15.3	24.2	146.8	487.9	743.2
Capital work-in-progress	6.7	130.3	417.1	277.3	173.1
Right-of-use assets	0.4	0.0	3.6	26.1	25.6
Goodwill	32.5	32.5	32.5	32.5	32.5
Other intangible assets	0.0	0.0	0.0	0.0	0.4
Financial assets					
(a) Loans	-	-	-	-	
(b) Other financial assets	0.5	0.6	0.6	1.9	1.9
Income tax asset (net)	2.1	3.8	1.7	2.1	-
Other non-current assets	14.3	28.0	82.2	229.1	332.4
Total Non-Current Assets	**71.9**	**219.5**	**684.5**	**1,056.9**	**1,309.1**
Current Assets					
Inventories	34.8	89.5	98.1	145.3	141.3
Financial assets					
(a) Trade receivables	210.5	218.5	327.3	425.1	393.9
(b) Cash and cash equivalents	5.1	87.9	93.1	85.7	120.0
(c) Bank balances other than cash and cash equivalents	2.8	2.9	3.1	3.3	3.1
(d) Other financial assets	6.6	6.7	6.8	13.1	13.6
Other current assets	39.0	87.5	39.3	121.3	165.9
Total Current Assets	**298.9**	**493.0**	**567.7**	**793.8**	**837.8**
Total Assets	**370.8**	**712.5**	**1,252.2**	**1,850.8**	**2,146.9**

Historical Cash Flow Statement

Particulars (in Cr)	FY23	FY24	FY25	FY26	H1FY27
Net Profit before tax	50.6	113.7	253.9	306.0	171.3
Adjustments for :					
Add : Depreciation	1.3	2.1	3.4	10.0	6.9
Add : Interest And Finance Charges	10.5	13.6	11.0	16.5	10.0
Add : Deferred Tax	-11.7	-20.2	-50.1	-47.2	-
Profit/ (loss) on sale of Fixed Assets	10.2	0.2	0.1	18.1	-
Less : Interest Income	-0.0	-3.2	-2.8	-0.8	-0.1
Operating Profit Before Working Capital Changes	**60.9**	**106.2**	**215.5**	**302.6**	**188.2**
Adjustments For Working Capital Movements :	-35.0	-121.3	-32.4	-257.2	57.4
Cash Generated From Operations	**25.9**	**-15.1**	**183.1**	**45.5**	**245.6**
Direct Taxes (Paid) /adjusted	0.3	-16.9	-35.1	-13.8	-0.3
Net Cash flow From Operating Activities (A)	**26.1**	**-31.9**	**148.0**	**31.7**	**245.3**
Cash Flow From Investing Activities (B)	**-21.2**	**-134.1**	**-415.6**	**-354.0**	**-260.8**
Cash Flow From Financing Activities (C)	**-5.7**	**248.6**	**272.8**	**314.8**	**49.8**
Net Increase in Cash & Cash Equivalents (A+B+C)	**-0.8**	**82.6**	**5.1**	**-7.4**	**34.4**
Cash & Cash Equivalent At The Beginning Of The Year	5.9	5.1	87.9	93.1	85.7
Cash & Cash Equivalent At The End Of The Year	5.1	87.8	93.1	85.7	120.0

Historical Revenue Metric



NOTE: Geography wise revenue mix includes only exports







BALU FORGE

Annexure

Company's Journey

1989

The foundation of 'Balu' was laid by Mr. Prehlad Singh Chandock

1995

First component exported to an overseas market

2006

Acquisition & Installation of the Ursus Manufacturing Plant from Ursus, Poland

2010

Acquisition & Installation of the Thyssenkrupp Plant from L'horme, France

2011

The company successfully achieved the milestone of building a presence in over 80 countries worldwide

2012

Got accredited with ISO/TS16949:2009 accreditation from world renowned company TUV NORD

2014

Achieved manufacturing of 1000 crankshafts in a single day

2017

Became a supplier of Choice to over 25 OEs spread over 5 Continents

2020

Got Accredited with the 14001:2015 & ISO 45001:2018 Certifications. Became an Approved Vendor to the Ordnance Factory Board & established a specialized manufacturing unit for the Defence Industry.
Balu completed the transition & listing on the Stock Exchange. The constitution of the company was changed to public limited company

2021/2022

Acquired the Precision Machining Unit of the Mercedes Benz Truck factory from Mannheim, Germany

Balu successfully completed the ESG audit by a reputed audit firm & joined the United Nations Global Compact Program in its efforts to be ESG compliant

2023

Laid the foundation for the greenfield forging & machining facility spread over 46 Acres in Belgaum, India

2024

Acquisition of 3 fully automated forging lines with GERB Technology namely: 16T, 10T Forging Hydraulic Hammer & 8000T Forging Press.

2024/2025

Invested in 7 axis, 11 axis machining capability, 25T Hydraulic hammer line & a fully automated Empty Shell & Mortar production line with an annual capacity of 360,000 shells per annum

2026

Acquired one of India's largest ring rolling lines (6.7 m max OD, 18,000 kg max weight), backed by heavy-duty CNC grinding and 5 axis turnmill capability for large components with a bed length of 4m

Board of Directors



CHAIRMAN & MANAGING DIRECTOR

Mr. Jaspalsingh Chandock



Executive Director

Mr. Trimaan Chandock



Executive Director

Mr. Jaikaran Chandock



Independent Director

Mrs. Shalu Bhandari



Independent Director

Mr. Radhey Shyam Soni



Independent Director

Mr. Roop Lal Meena

BOARD COMMITTEES

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Management Committee

Sustainability- ESG Profile Highlights

ESG Commitments

Net Zero Emissions
Carbon Neutral Operation by 2040

Water Management
Achieve 100% Water Recycling by 2027

Zero
Liquid Discharge by 2037

ISO 14001:2015
Environmental Management System

20%
Increase Women's Representation In Leadership By 2030

Renewable Energy
Transition 100% Renewable Energy by 2035

Waste Management
Reduce Total Waste Generation by 2030

ISO 45001:2018
Occupational Health and Safety

CSR

INR 15.7 Mn
Amount spent on CSR in FY26

620
Individuals Benefitted Through CSR spend

Legacy Precision Engineering Product Portfolio

Auto Components



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



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



Brake Components
Hub, Brake Flange, Disc, Caliper



Towing Accessories
Swan Necks, Flange Balls, Tow Bars



Under Carriage Components

Non-Auto Components



Hydraulic Motors



Turbine Blades



Oil, Gas, & Flow Control Components



Lifting Hooks
Sorting, Snap, Shank, Ramshorn Hooks

Railway, Aerospace & Oil Gas Components



Key Components



Wheels



Axles



Wheel Sets

Other Components

Connecting Rod 50 to 150 kg	**Connecting Cap** 25 to 100 kgs	**Crankshafts** 2 to 1000 kgs	**Link Pin** 15 to 50 kgs
Rocker Lever 10 to 50 kgs	**Valve Body** 10 to 850 kgs	**Arm** 20 to 50 kgs	**Link** 50 to 150 kgs
Dog Pin 10 to 50 kgs	**Hooks** 10 to 200 kgs	**Gear Blank** 10 to 500 kgs	**Nuts** 5 to 150 kgs
Roll Link 10 to 25 kgs	**Camshafts** 50 to 100 kgs	**Flanges** 100 to 600 kgs	**Bend Arm** 10 to 30 kgs
Lever 15 to 25 kgs	**Yokes** 10 to 50 kgs		



Key Components









Other Components

- **Engine Components**
  5 to 300 kgs
- **Landing Gear Components**
  50 to 250 kgs
- **APU Components**
  5 to 300 kgs
- **Aero Structure**
  50 to 250 kgs

Material: Titanium + Aluminium Alloy

Scope: Forged + Semi Machined



Key Components







Other Components

- **Valves**
- **Flanges**
- **Fitting**
- **X-overs**
- **Pressure Control Equipment**
- **Hammer Unions**
- **Stubs Ends**
- **Joints**
- **Loops**
- **Manifold Units**
- **Tees**

Defence & Ammunition

Empty Shells



Mortar Ammunition
51 mm, 81 mm, 120 mm



Artillery Ammunition
155 mm, 152 mm 130 mm, 105 mm



RCL Ammunition
Round 84 mm



Naval Ammunition
Cartridge 40 mm,76.2 mm, 76/62 SRGM, RGB 60 Rocket



Tank Ammunition
Round 120 mm, Shell 125 mm



Aerial Ammunition
500 kg GP Aerial Bomb

Fully Automated Empty Shell Production Line
(Upto 360,000 shell capacity per annum)

- 1000T Hydraulic Press
- 400T Vertical Elongator
- 600MT Hydraulic Nosing Press
- Induction Heater 1800 KW
- Induction Heater 600 KW (Partial Heating)
- Copper Band Dia Press for Assembly
- Powder Coating Paint shop with Automation
- 6–Axis multiple Robot
- Phosphating Plant of 155mm Full Automated
- Machine Auxiliary Supporting
- Shot Blasting
- Sand Blasting
- CNC Machining
- Heat Treatment
- Cutting (Circular saw) m/c

Other Components



Crankshaft



Breach Base



Road Wheel Arm



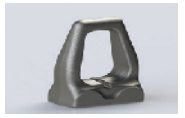
Flange



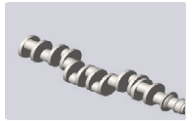
Crank 690



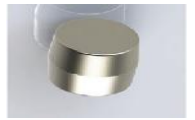
Hub Carrier



Track guide



EFA Crankshaft



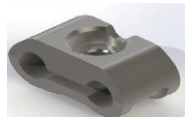
Sun Gear



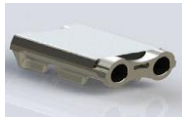
Shoe



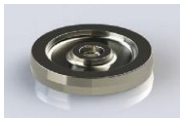
Gear Ring



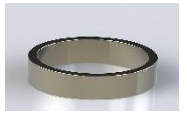
Clamp



Track Link



Intermediate Gear



Gear Ring (Hollow)

Ring Rolling Components

WIND ENERGY

Precision-forged flanges & bearing rings for onshore & offshore turbines



AEROSPACE STRUCTURAL

Airframe & engine-grade structural rings machined to aerospace tolerances



SPACE LAUNCH VEHICLE STRUCTURE

Ultra-high-strength ring & drum components for launch vehicle & rocket engine assemblies



NUCLEAR & POWER GENERATION

Seamless retaining & pressure vessel rings built to nuclear / power-generation standards



OIL & GAS

Heavy-duty forged rings & flanges designed for extreme pressure in subsea & pipeline environments



MARINE MACHINERY | MINING & MARINE

Large-diameter gears, bearing races & shaft components for continuous heavy-duty operation



FAQ- Company Overview

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

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

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

Balu Forge operates four manufacturing facilities, including a 46-acre greenfield facility in Belagavi, Karnataka, which is currently being expanded. Backed by an in-house R&D team and a highly experienced workforce with nearly four decades of industry expertise, the Company manages all machining in-house and has integrated forging operations for captive requirements, enabling a fully integrated value chain spanning design, engineering, manufacturing, testing and validation.

With advanced 7-axis and 11-axis CNC machines, automated shell lines, and forging capabilities ranging from 1 kg to over 1,500 kg and up to 3 metres in length, supported by closed-die hammers and presses, including India's largest 25-ton hydraulic hammer, the Company delivers end-to-end precision engineering solutions. Its vertically integrated infrastructure, diversified sector exposure and proven ability to manufacture high-value critical components for defence, aerospace and railways position it as a differentiated player in the global precision engineering industry.

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

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

Note: We will be summarizing some of the recurring questions received from the investor community each quarter with the upcoming earnings release.

FAQ- Growth Strategy & Outlook

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

Balu Forge's 3–5 year strategy focuses on expanding capacity, enhancing technology, and strengthening its global presence through organic growth and selective acquisitions. The 46-acre integrated facility at Belagavi, Karnataka, will expand machining capacity to 80,000 TPA by FY27, enabling the Company to cater to high-specification requirements in defence, aerospace, and power generation. The Company is also pursuing diversification into precision-led sectors such as defence platforms and aerospace assemblies, supported by advanced materials like aluminum and titanium. Backed by strong cash flows and a prudent balance sheet, Balu Forge aims to drive sustainable, innovation-led growth aligned with the Government's "Make in India" vision and deliver long-term shareholder value.

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

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

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FAQ- Defence Order & Capacity Execution

1. Could you provide an update on the execution of the Company's defence orders and key developments across defence and heavy engineering?

Balu Forge is executing its recent defence orders as scheduled, with serial production and supplies of both 152 mm and 155 mm artillery shells already initiated. BFIL has also achieved a key manufacturing milestone by becoming one of the select few producers globally to successfully develop advanced ERFB-BB (Base Bleed) and ERFB-BT (Boat Tail) extended-range shells. The Company's fully automated, robotics-enabled forging lines and stringent metallurgical quality controls enable the production of high-precision components that meet global standards and provide the necessary capacity to scale production and execute defence commitments across global markets.

Beyond ammunition, Balu Forge continues to expand its heavy forging capabilities into higher-value components, including large gear blanks and road wheel arms, in collaboration with leading global partners. The Company has also commercialised and delivered precision aluminium forged and machined components for defence applications, further strengthening its capabilities across multi-material defence and heavy engineering components.

2. How does the Company plan to expand its defence manufacturing capacity to support the execution of announced orders?

The Company's defence capacity expansion is progressing as planned, with a clear focus on creating the manufacturing capabilities required to execute its recently announced orders. As communicated in earlier disclosures, the expanded capacity is currently moving towards commercialisation, with further updates to be announced in due course. The expansion is being funded through a prudent mix of internal accruals and potentially Foreign Currency Convertible Bonds (FCCBs), as deemed appropriate by the Company. This will enable it to scale its defence manufacturing capabilities while maintaining financial discipline.

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FAQ- Others

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

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

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

The shares were originally held by Tano Investment Opportunities Fund (Tano Capital), which came on board at the 2020 listing after completing full due diligence. Following the founder's passing in September 2021, the Johnson family wound up Tano Capital, and the fund was subsequently sold to a UAE-based investor. All subsequent share transfers took place through secondary-market transactions and not directly from the company. In December 2024, the RTA informed the management that the ED Raipur had taken the shares of multiple funds into its account. The company has no involvement in these secondary-market transactions. Further, no allegations or charges have been made against the company by the department, and no amount has been demanded from or attached to the company or its promoters.

3. The UAE subsidiary (Safa Otomotiv FZ) contributes around 40% of the company's total revenue. What impact are the ongoing geopolitical issues expected to have on revenue performance in FY27?

Safa Otomotiv FZ-LLC, based in Ras Al Khaimah, UAE, supplies powertrain assemblies, sub-powertrain assemblies and precision components, primarily catering to the MENA region.

Its core product portfolio includes engine assemblies comprising short blocks (block, crankshaft, connecting rods, pistons, rings and main bearings) and long blocks (short blocks with assembled cylinder heads, camshafts, timing components, valvetrain, gaskets, seals and oil pumps, depending on the manufacturer). These ready-to-fit engine assemblies are used in tractors, commercial vehicles and diesel generators. The portfolio includes three Perkins assembly part numbers and two Mercedes OM commercial truck assembly part numbers. All assemblies are tested on test benches before dispatch.

End Markets: The products cater to agriculture, power generation and commercial vehicles, with applications across agricultural, heavy-duty and commercial vehicle segments.

The company caters to a fixed customer base, with an estimated addressable market of around 40,000 powertrain assemblies. Its current assembly capacity stands at approximately 15,000 units. Sales witnessed a dip in Q4 due to port closures and supply chain disruptions, which were subsequently recovered in Q1.

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FAQ- Others

1. Why are other expenses (manufacturing and SG&A) relatively low at around 6% of revenue in FY26 compared to other companies in the forging industry?

The company has built a strong brand presence over the past 35 years, supported by long-standing OEM relationships, with established contracts across 25 OEMs, most of which span over a decade. Its marketing and sales expenses remain relatively low, as the company primarily builds its global presence through participation in offline trade shows and regular engagement with existing customers.
Further, all export and OEM contracts are negotiated on an Ex-Works basis, wherein customers manage their own logistics and bear the associated costs. This keeps the company's other expenses relatively low, and the current cost structure is considered sustainable. Contract labour costs are accounted for under COGS and not under other expenses.

2. Why is employee cost as a percentage of revenue relatively low compared to peers in the forging industry? How are contract labour costs accounted for, and what is the total employee cost, including contract labour, as a percentage of revenue?

Contract labour costs are accounted for under raw material consumption and COGS rather than employee expenses. Since the early 2000s, the company has followed a policy of maintaining around 30% of its workforce on-roll and the remaining 70% on a contractual basis to avoid labour union-related issues.
Including both on-roll employees and contract labour, the total employee cost stood at 7% of revenue in FY26 and is expected to remain around 8–10% going forward.

3. What is included in Other current assets Others item?

Other current assets include Prepaid expenses, Advances to suppliers and capital advance, GST Receivable.

4. What is the expectation of gross margin for FY27, FY28 and FY29? What will drive improvement?

The Gross margin would be northwards of 40%. This will be driven prima facie by backward integration of our forging lines which will drive 500-700 basis points on the raw material consumption and forging costs which were prima facie outsourced.

5. How much is power & fuel cost in FY26?

Power and fuel cost in FY26 was 3.9% of revenue. Forging was largely outsourced for the company. The company also has backup power in form of diesel generators which fuels the machining lines. The forging machines which encompass trimming presses, batch furnaces, heat treatment, continuous heat treatment with quenching and relieving was outsourced. Since the same has just started being used in-house and with the ramp up happening this financial year we believe the same would stabilize between 5-7% of revenue

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Thank You

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