

Date: June 04, 2026

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**

Respected Sir / Madam,

**Subject: Statement of Deviation or Variation in the use of proceeds raised through Preferential Issue for the Quarter ended March 31, 2026 as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 32 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Monitoring Agency Report for the Quarter ended March 31, 2026, issued by Infomerics Valuation and Rating Pvt. Ltd. appointed in respect of utilization of proceeds of the Preferential Issue of the Company, duly reviewed by the Audit Committee Meeting and the Board Meeting of the Company by way of Circular Resolution on June 04, 2026.

Kindly take the same on your records.

**For Balu Forge Industries Limited**

**Jaspalsingh Chandock**  
**Managing Director**  
**DIN 00813218**

Enclosure: As Above



**BALU FORGE INDUSTRIES LTD**

**CIN: L29100MH1989PLC255933**

506, Imperial Palace, 45 Tolly Park Road, Andheri East, Mumbai – 400 069, India  
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**Monitoring Agency Report**  
**for Balu Forge Industries Limited**  
**for the quarter ended March 31, 2026**

## Monitoring Agency Report

June 04, 2026

To,  
Balu Forge Industries Limited  
506, Imperial Palace, 45 Telly Park Road,  
Andheri East, Mumbai - 400069  
Dear Sir,

### **Monitoring Agency Report for the quarter ended March 31, 2026 - in relation to the issue of equity shares on preferential basis and issue of share warrants to the promoters.**

We write in our capacity of Monitoring Agency for the issue of equity shares on preferential basis and issue of share warrants of amount aggregating to Rs. 496.80 crore of the Company and refer to our duties cast under 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations).

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 14<sup>th</sup> October 2024.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of Infomerics Valuation and Rating Limited



Mr. Sudarshan Shreenivas  
(Director - Ratings)

[sudarshan.shreenivas@infomerics.com](mailto:sudarshan.shreenivas@infomerics.com)

## Report of the Monitoring Agency

**Name of the Issuer:** Balu Forge Industries Limited

**For quarter ended:** March 31, 2026.

**Name of the Monitoring Agency:** Infomerics Valuation and Rating Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Nil

Indicate range of percentage deviation from the amount of issue proceeds earmarked for objects. For example, up to 10%, 10 – 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

\* Range of Deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

### **Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.

We further declare that this report provides true and fair view of the utilization of issue proceeds.



Signature:

Name of the Authorized Person/Signing Authority: Mr. Sudarshan Shreenivas

Designation of Authorized person/Signing Authority: Director - Ratings

Seal of the Monitoring Agency: -

Date: June 04, 2026



### 1) Issuer Details:

Name of the issuer: Balu Forge Industries Limited.

Names of the promoters of the issuer: Shri Jaspal Singh Chandock

Industry/sector to which it belongs: Manufacturing of forged crankshafts and forged components

### 2) Issue Details:

Issue Period: 18 Months from the date of allotment

Type of issue (public/rights): Preferential Issue

Type of specified securities: Equity shares and Convertible warrant

Grading: Not Applicable

Issue size (Rs in Crores): Rs. 496.80 crores (Note No. 1 & Note No. 2)

#### Note 1

The company had offered 45.00 Lakhs Equity Shares under the Private Placement, at Rs. 360.00 per share (including share premium of Rs. 350.00 per share) aggregating to ₹ 162.00 crore. The issue was subscribed, and the company has allotted 45.00 Lakhs Equity Shares to the applicants during the quarter ended September 2024.

#### Note 2

The offer comprises of 93,00,000 warrants of the company convertible into equal number of equity shares at a price of Rs.360.00 per warrant as determined on the relevant date (for the purpose of calculating the price of equity warrants convertible into equal number of equity shares to be issued) in accordance with the provisions of Chapter V of the SEBI ICDR Regulations aggregating to Rs.334.80 Crore for cash consideration by way of preferential allotment to Specified investors/Identified investors which also includes promoters and members of promoter group of the company.

Particulars	Remarks	Amount
Total shares issued and subscribed as part of Preferential Issue (A)	45,00,000	162.00
Total Warrants issued (B)	<b>93,00,000</b>	<b>334.80</b>
Total Issue size		<b>496.80</b>
Total Warrants converted in to shares during the period (Fully paid up) (C)	<b>19,00,000</b>	68.40
Warrants still outstanding to be exercised within eighteen (18) months from the date of allotment (Deposit amount received) (D)	74,00,000	66.60
Total subscriptions received towards Preferential issue (in Rs. Crore) (A +C+ D)	<b>297.00</b>	<b>297.00</b>
Details of expenses incurred related to issue (in Rs.) (E)	-	<b>Nil</b>
Net Proceeds of Preferential Issue (Rs. Crores) (A + B- E)		<b>496.80</b>

^ Each warrant is convertible into one (1) equity share and the conversion can be exercised at any time within a period of 18 months from date of allotment of warrants, in one or more tranches, as the case maybe and on such other terms and conditions applicable. Option for conversion of warrants into equity shares will be available upon payment of full price of warrant before such exercise of option.

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes	Bank Statement, Management Declaration, IT Challan receipts, Invoices, Ledgers & CA Certificate*.	Refer Note 1	No Comments.
Whether Shareholder approval is obtained in case of material deviations from expenditures disclosed in Offer Document?	Not Applicable	Not applicable	Not Applicable, as there is no deviation from the expenditures disclosed in Offer Document.	No Comments.

Whether means of finance for disclosed objects of the Issue has changed?	No	Not applicable	No change in means of finance.	No Comments.
Any major deviation observed over the earlier monitoring agency reports?	No	Last Monitoring agency Report Dated February 11, 2026.	No deviation from earlier report.	No Comments.
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes	Principal approval from BSE	Yes	No Comments.
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Not Applicable	Not applicable	Not Applicable	No Comments.
Any favourable events improving object(s) viability	No	Not applicable	Nil	No Comments.
Any unfavourable events affecting object(s) viability	No	Not applicable	Nil	No Comments.
Any other relevant information that may materially affect the decision making of the investors	There was Income Tax raid on January 07, 2026, which got concluded on January 13, 2026, due to which share price decline by ~22% from January 01, 2026 to January 13, 2026.	BSE website under corporate announcement by the company dated January 13, 2026.	Not ascertainable	No Comments.

\*The above details are verified by Statutory Auditor - M.B. Agrarwal & Co. Chartered Accountants (Membership Number: 118967) vide its CA certificate dated May 29, 2026.

**\*\*Auditor's remark:** No deviations from expenditure disclosed in the Offer document.

Note 1 - The company has transferred a sum of Rs. 37.51 crore from the preferential allotment to the Company's Cash Credit (CC) account. However, the above funds were not utilised for the purpose of IPO Objects. The company used the funds received in current account in normal course of business towards the objects and the unutilised amount also reflects the same. The amount transferred to Cash credit account were deployed for operational and liquidity management purposes. As per management, Company operates an integrated banking arrangement wherein operational payments are routinely processed through the current account while the CC account is utilized for overall working capital management.

^ Material Deviation would mean

- a) deviation in the objects or purposes for which the funds have been raised
- b) deviation in the amount of funds actually utilised by more than 10% of the amount projected in the offer document.

**4) Details of object(s) to be monitored:**

**(i) Cost of object(s)-**

Sl. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of Monitoring Agency	Comments of Board of Directors		
						Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Purchase & installation of new & existing plant & machinery	EOGM*	189.00	Not Applicable	No Comments	No Comments.	No Comments.	No Comments.
2	Working capital requirement	EOGM*	183.60	Not Applicable	No Comments	No Comments.	No Comments.	No Comments.
3	General corporate purpose	EOGM*	124.20	Not Applicable	No Comments	No Comments.	No Comments.	No Comments.
	<b>TOTAL</b>		<b>496.80</b>					

\* Sourced from Page 20 & 26 of the Special Resolution passed at Extraordinary General Meeting held on Aug 09, 2024.

(ii) Progress in the object(s)-

Sl. No	Item Head <sup>@</sup>	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount raised till March 31, 2026 (Rs. crore)	Amount utilized (Refer Note 1)			Unutilised amount in Rs. crore	Comments of Monitoring Agency	Comments of Board of Directors	
					As at Beginning of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1	Purchase & installation of new & existing plant & machinery	OGM*, Bank Statement, Invoices, Ledgers, Management Declaration, & CA Certificate**	189.00	189.00	139.05	24.27	163.32	25.68	The Funds has been used by the company for purchase of machinery.	No Comments	No Comments
2	Working capital requirement	OGM*, Bank Statement, Invoices, Ledgers, Management	183.60	183.60	83.70	99.90	183.60	-	The Funds has been used by the company to purchase	No Comments	No Comments

		Declaration & CA Certificate**							raw material from its suppliers.		
3	General corporate purpose	OGM*, Bank Statement, Invoices, Ledger & Management Declaration & CA Certificate**	124.20	124.20	101.25	22.95	124.20	-	The Funds has been used by the company to purchase raw material from its suppliers, for payment of bank interest, for payment of advance tax and consultancy charges.	No Comments	No Comments
<b>TOTAL</b>			<b>496.80</b>	<b>496.80</b>	<b>324.00</b>	<b>147.12</b>	<b>471.12</b>	<b>25.68</b>			

\*Sourced from Page 20 & 26 of the Special Resolution passed at Extraordinary General Meeting held on August 09, 2024.

\*\* The above details are verified by Statutory Auditor - M.B. Agrarwal & Co. Chartered Accountants (Membership Number :118967) vide its CA certificate dated May 29, 2026.

**Note 1** - Out of the total issue proceeds of Rs. 172.80 crore in Q4FY26, a total of Rs. 134.50 crore was transferred to the Union Bank current account and Rs. 37.51 crore was transferred to Axis Bank cash credit account, and the remaining balance of Rs. 0.79 crore remained outstanding in the monitoring account as of March 31, 2026.

The entire expenditure of Rs. 147.12 crore in the quarter towards the approved objects of the issue was incurred through the Union Bank current account. This amount is higher than the amount transferred into the current account (Rs.134.50 crore). This was possible due to operational cash inflows into the current

account which were used to substitute the amount retained in the cash credit account (Rs.37.51 crore). The total unutilised amount at end of Q4FY26 therefore stands at Rs.25.68 crore of which Rs.24.89 crore has been retained in current account and Rs.0.79 crore continued to remain in monitoring account.

**@Brief description of Object(s):**

S.no	Name of the object(s)	Brief description of the object(s)
1	Purchase & installation of new & existing plant & machinery	This object pertains to capital expenditure towards the acquisition of new machinery, upgradation of existing equipment, and installation of plant infrastructure. The expenditure is intended to augment manufacturing capacity, support expansion of forging and machining operations, and enhance technological and operational efficiencies in line with the Company's stated growth plans.
2	Working capital requirement	This object relates to meeting the Company's short-term operational and liquidity requirements, including procurement of raw materials, payment obligations towards suppliers, employee-related expenditures, utility costs, and other routine operational outflows essential for sustaining day-to-day business operations.
3	General corporate purpose	This object covers legitimate corporate-level expenditures such as statutory dues, administrative and operating expenses, professional and consultancy charges, finance-related costs, and other outlays necessary to support the Company's governance, compliance, and strategic business requirements.

Note: The total amount to be collected from the issue was Rs. 496.80 Crore and company has received Rs. 496.80 Crore in full by March 31, 2026. Out of Rs. 496.80 Crore amount received, Rs. 471.12 Crore was utilised till the quarter ended March 31, 2026. The Balance amount of Rs. 25.68 Crore is yet to be utilised.

**(iii) Deployment of unutilized Preferential Issue proceeds:**

Sl. no.	Type of instrument where amount invested	Amount invested (in Crores)	Maturity date	Earnings (in Crores)	Return on Investment (ROI %)	Market Value as at the end of quarter
1	Current Account	24.89*	-	-	-	-
2	Monitoring Account	0.79*	-	-	-	-

*\*The utilised amount of Rs. 25.68 crore has remained unutilised in current account Rs. 24.89 crore and monitoring account Rs. 0.79 crore as on March 31, 2026.*

**(iv) Delay in implementation of the object(s)-**

Object(s) Name	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document	Actual		Reason of delay	Proposed Course of Action
Purchase & installation of new & existing plant & machinery	within a period of 12 months from the date of receipts of funds	Ongoing	No Delay	-	-
Working capital requirement	within a period of 12 months from the date of receipts of funds	Ongoing	No Delay	-	-

General purpose	corporate	within a period of 12 months from the date of receipts of funds	Ongoing	No Delay	-	-
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**v) Details of utilisation of Proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head	Amount in Rs. Crore	Source of Information/Certifications Considered by the Monitoring agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Payment towards purchase of raw materials	10.67	Bank Statements, Ledger, Invoice, Management Declaration & CA Certificate*	The issue proceeds have been utilised in accordance with the objects of the issue.	No Comments.
2	Payment towards Consultancy Service	0.11	Bank Statements, Ledger, Invoice, Management Declaration, CA Certificate*		
3	Payment towards Bank Interest	0.17	Bank Statement, Management Declaration & CA Certificate*		
4	Payment of Statutory dues	12.00	Bank Statement, Challan receipts, Management Declaration & CA Certificate*		
	<b>TOTAL</b>	<b>22.95</b>			

\* The above details are verified by Statutory Auditor - M.B. Agarwal & Co. Chartered Accountant (FRN:100137W) vide its CA certificate dated May 29, 2026.

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