

**Date: 07<sup>th</sup> February, 2025**

To,  
BSE Limited,  
Corporate Services Department,  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai – 400001.  
BSE Scrip Code: 531112

Respected Sir / Madam,


**Subject: Statement of Deviation or Variation in the use of proceeds raised through Preferential Issue for the Quarter ended 31<sup>st</sup> December, 2024 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 31<sup>st</sup> December, 2024, 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 held on February 07, 2025.

Kindly take the same on your records.

**For Balu Forge Industries Limited**

JASPALSINGH  
PREHLADSINGH  
CHANDOCK

 Digitally signed by JASPALSINGH  
PREHLADSINGH CHANDOCK  
Date: 2025.02.07 18:58:33 +05'30'

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

Enclosure: A/A



**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

**Monitoring Agency Report  
for Balu Forge Industries Limited  
for the quarter ended December 31,  
2024**

Monitoring Agency Report

February 05, 2024

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 December 31, 2024 - in relation to the issue of equity shares on preferential basis and issue of share warrants to the promoters.**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and Monitoring Agency Agreement dated Oct 09, 2024 we in our capacity of Monitoring Agent to the Company hereby enclose the Monitoring Agency Report as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of the public issue for the quarter ended December 31, 2024. Request you to kindly take the same on records.

Thanking you,

For and on behalf of Infomerics Valuation and Rating Private Limited

OM PARKASH  
JAIN

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PARKASH JAIN  
Date: 2025.02.05 19:21:54  
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(Director - Ratings)

## Report of the Monitoring Agency

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

**For quarter ended:** December 31, 2024

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

(a) Deviation from the objects: Nil

- Utilization different from Objects stated in OD but in line with change of objects approved by shareholders' resolution; or
- Utilization neither in line with Objects stated in OD nor approved by shareholders' resolution
- In case of no deviation, the fact would be stated.

(b) Range of Deviation\*: 0%

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.

OM PARKASH  
JAIN

Digitally signed by OM  
PARKASH JAIN  
Date: 2025.02.05  
19:22:19 +05'30'

Signature:

Name of the Authorized Person/Signing Authority:

Designation of Authorized person/Signing Authority:

Seal of the Monitoring Agency:

Date: **February 05, 2025**

Om Parkash Jain

Director - Ratings



### 1) Issuer Details:

Name of the issuer: Balu Forge Industries Limited

Names of the promoters of the issuer: 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 share and convertible warrant

Grading:NA

Issue size (Rs in Crores): Rs. 496.80 crores (Note No. 1 & 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 Warrants converted in to shares during the period (Fully paid up) (C)	-	-
Warrants still outstanding to be exercised within eighteen (18) months from the date of allotment (Deposit amount received) (D)	93,00,000	83.70
Total subscriptions towards Preferential issue (in Rs. Crore) (A + C + D)	<b>245.70</b>	<b>245.70</b>
Details of expenses incurred related to issue (in Rs.)	-	-
Net Proceeds of Preferential Issue (Rs. Crores) (A + B)		<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.

\* Upon complete exercise of outstanding 93,00,000 shares warrants.

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

(Give item by item description for all the objects stated in offer document separately in following format)

<b>Particulars</b>	<b>Reply</b>	<b>Source of information / certifications considered by Monitoring Agency for preparation of report</b>	<b>Comments of Monitoring Agency</b>	<b>Comments of Board of Directors</b>
Whether all the utilization is as per disclosure in Offer Document?	Yes, the utilization has been made as per Offer Document.	Bank Statement, CA Certificate, EOGM Resolution, and Invoices	The utilization is in line with the objects mentioned in the EOGM resolution	The Board of Directors noted that there are no deviations, and the funds were utilised for the purpose stated in the offer document and notice sent to the shareholders.
Whether Shareholder approval is obtained in case of material deviations from expenditures disclosed in Offer Document?	There are no deviations from the expenditures disclosed in the Offer Document. Hence no approval is required	Not applicable	Not applicable	No Comments Required
Whether means of finance for disclosed objects of the Issue has changed?	There is no change in the means of	Not applicable	No	No Comments Required

	finance for disclosed objects			
Any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	No	No Comments Required
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes	Principal approval from BSE & NSE	No Comments	No Comments Required
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Not Applicable	Not applicable	Not Applicable	No Comments Required
Any favourable events improving object(s) viability	There are no events affecting the viability of these objects.	Not applicable	Nil	No Comments Required
Any unfavourable events affecting object(s) viability	There are no events affecting the viability of these objects.	Not applicable	Nil	No Comments Required
Any other relevant information that may materially affect the decision making of the investors	There is no relevant information that may affect the	Not applicable	Nil	No Comments Required

	decision making of the investor			
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\* The above details are verified by M.B. Agrarwal & Co. Chartered Accountants (Membership Number : 061362) vide its CA certificate dated Feb 04, 2025.

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

^ 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)-

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format:

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	189.00	The gross proceeds have been utilised in accordance with the objects of the issue.			
1	Working capital requirement	EOGM*	183.60	183.60		Nil	Nil	Nil
2	General corporate purpose	EOGM*	124.20	124.20			Nil	Nil
	<b>TOTAL</b>		<b>496.80</b>	<b>496.80</b>				

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

During Q3FY25, Balu Forge Industries Limited transferred the issue proceeds from its Escrow account no: 924020047417345 maintained with the Axis Bank to its Current account no: 318801010338130 maintained with the Union Bank of India to execute some of the transactions in line with the objectives. Balu Forge Industries Limited has provided bank statements, along with necessary supporting documents and CA Certificate to Monitoring agency, to track the spending.

**(ii) Progress in the object(s)-**

(Give Item by Item Description for all the Objects Stated in Offer Document separately in the following format)

Sl. No	Item Head	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 Dec 31, 2024 (Rs. crore)	Amount utilized			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	EOGM*, Bank Statement, Invoices, CA Certificate**	189.00	126.23	77.40	48.83	126.23	Nil	The company has utilised the amount for the purchase of spare Parts	No Comments Required	-

									of plant & Machinery		
2	Working capital requirement	EOGM*, Bank Statement, Invoices, CA Certificate**	183.60	58.05	-	43.44	43.44	14.61	The company has utilized proceeds under working capital for payment to Creditors and interest on Loan	No Comments Required	-
3	General corporate purpose	EOGM*, Bank Statement, Invoices, CA Certificate**	124.20	61.42	11.80	-	11.80	49.62	The company has utilized proceeds under GCP for payment of statutory dues like Income Tax & Advance Tax	No Comments Required	-

TOTAL	496.80	245.70	89.20	92.27	181.47	64.23			
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\*Sourced from Page 20 & 26 of the Special Resolution passed at Extraordinary General Meeting held on Aug 09, 2024.

\*\* The above details are verified by M.B. Agrarwal & Co. Chartered Accountants (Membership Number :061362) vide its CA certificate dated Feb 04, 2025.

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

S.no	Name of the object(s)	Brief description of the object(s)	Location of the object(s) (if applicable)
1	Purchase & installation of new & existing plant & machinery	The company has received an amount of Rs. 126.23 Crore for the afore mentioned object out of which the company has utilised an amount of Rs. 77.40 Crore till Sept 2024 and remaining amount of Rs. 48.83 Crore has remained utilised as of Dec 2024. This payment majorly pertains to the multiple suppliers for the purchase of Plant & machinery and spare parts.	
2	Working capital requirement	The company has received an amount of Rs. 58.05 Crore for the afore mentioned object out of which the company has utilised an amount of Rs.43.44 crore during the quarter ended Dec 2024 and remaining amount of Rs. 14.61 Crore remains unutilised during the quarter ended December 2024.	-
3	General corporate purpose	The company has received an amount of Rs. 61.42 Crore for the aforementioned object out of which the company has utilised an amount of Rs. 11.80 Crore	-

		during the quarter ended Sept 2024 and remaining amount of Rs. 49.62 Crore has remained unutilised as on Dec 2024. This Payment majorly comprises of Income Tax & Advance Tax.	
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**(iii) Deployment of unutilized IPO proceeds-**

Sl. no.	Type of instrument where amount invested*	Amount invested (in Crores)	Maturity date	Earnings	Return on Investment (ROI %)	Market Value as at the end of quarter**
1	Axis Bank – Pref. cap Account - 924020047417345	64.23	-	-	-	64.23

**Note:** The total amount to be collected from the issue was Rs. 496.80 Crore out of which the amount received by the Company is Rs. 245.70 Crore out of which Rs. 181.45 Crore was utilised till December 2024 and balance of Rs. 64.23 crore remained unutilised as on December 2024. The Balance amount of Rs. 251.10 Crore is yet to be received within 18 months from the date of issue.

**(iv) Delay in implementation of the object(s)- Not applicable**

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	Nil	Nil
Working capital requirement	within a period of 12 months from the date of receipts of funds	Ongoing	No Delay	Nil	Nil
General corporate purpose	within a period of 12 months from the date of receipts of funds	Ongoing	No Delay	Nil	Nil

5) **Details of utilisation of Proceeds stated as General Corporate Purpose (GCP) amount in the offer document :** The company has not utilised any amount under the general corporate Purpose during the quarter ended December 2024.

S.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
-	-	-	-	-	-
-	-	-	-	-	-

\*The above details are verified by M.B. Agarwal & Co. Chartered Accountants (Membership Number :061362) vide its CA certificate dated February 04, 2025.

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