

Date: August 14, 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: Submission of Monitoring Agency Report for the Quarter ended June 30, 2026 as per Regulation 32 of the SEBI (LODR) 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 June 30, 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 held on August 14, 2026.

Kindly take the same on your records.

For Balu Forge Industries Limited

Jaspalsingh Chandock
Managing Director
DIN 00813218

Enclosure: As Attached



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 June 30, 2026

Monitoring Agency Report

August 13, 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 June 30, 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 June 30, 2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 14th 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

Report of the Monitoring Agency

Name of the Issuer: Balu Forge Industries Limited

For quarter ended: June 30, 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: August 13, 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.

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, the utilization has been made as per Offer Document.	Bank Statement, CA Certificate*, Management Declaration, Invoices & Ledgers.	The utilization is in line with the objects mentioned in the EOGM resolution #	No Comments.
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, 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?	There is no change in the means of finance for disclosed objects	Not applicable	No change in means of finance.	No Comments.
Any major deviation observed over the earlier monitoring agency reports?	No deviation	Last Monitoring agency Report Dated June 04, 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	There are no events affecting the viability of these objects.	Not applicable	Nil	No Comments.
Any unfavourable events affecting object(s) viability	There are no events affecting the viability of these objects.	Not applicable	Nil	No Comments.
Any other relevant information that may materially affect the decision making of the investors	No	Not applicable	Nil	No Comments.

*The above details are verified by M.B. Agrawal & Co. Chartered Accountants (Membership Number: 118967) vide its CA certificate dated August 10, 2026.

In Q4FY26, the company has transferred a sum of Rs. 37.51 crore from the preferential allotment to the Company's Cash Credit (CC) account. The above funds were not utilised for the purpose of IPO Objects. However, the company used an amount equivalent to Rs. 37.52 crore from the funds received in current account in normal course of business towards the objects. 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.

	TOTAL		496.80					
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* 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 [@]	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 June 30, 2026 (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	OGM*, Bank Statement, Invoices, Ledgers, Management Declaration, & CA Certificate**	189.00	189.00	163.32	25.68	189.00	-	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 Declaration & CA Certificate**	183.60	183.60	183.60	-	183.60	-	The Funds has been used by the company to purchase raw material from its suppliers.	No Comments	No Comments
3	General corporate purpose	OGM*, Bank Statement, Invoices, Ledger & Management Declaration & CA Certificate**	124.20	124.20	124.20	-	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
TOTAL			496.80	496.80	471.12	25.68	496.80	-			

* 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 August 10, 2026.

@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.

(iii) Deployment of unutilized Preferential Issue proceeds: Nil.

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
-	-	-	-	-	-	-
-	-	-	-	-	-	-

(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	Completed	No Delay	-	-
Working capital requirement	within a period of 12 months from the date of receipts of funds	Completed	No Delay	-	-
General corporate purpose	within a period of 12 months from the date of receipts of funds	Completed	No Delay	-	-

v) Details of utilisation of Proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Nil.

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
-	-	-	-	-	-

DISCLAIMERS:

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