BHARAT FORGE

PART 1

To,
Chief Operating Officer & Compliance Officer
Axis Trustee Services Ltd,
The Ruby, 2nd Floor (SW)
29, Senapati Bapat Marg,
Dadar West, Mumbai – 400 028

Dear Sir/Madam,

Sub: Quarterly Compliance Report for the Quarter ending 31-03-2025

In compliance with the Securities and Exchange Board of India (SEBI) (Debenture Trustee) Regulations, 1993, the SEBI (Listing Obligations and Disclosure Requirements) 2015, and the Companies Act 2013, as amended from time to time we furnish the required information for your needful.

Sr. No.	Particulars of Information/Documents	[Yes/ No/ Partially Furnished]
1.	Management Confirmations	Yes
2.	Statutory Auditor's Certifications	Yes
3.	Original / Certified True Copies of documents annexed along with the QCR	Yes

For Bharat Forge Limited

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

Tejaswini Chaudhari
Company Secretary & Compliance Officer

Date: May 8, 2025
Place: Pune

KALYANI

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476/ 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

PART 2
Management Confirmations

1. Statutory/Compliance Confirmations

Sr. No.	Particulars	Comments
a.	The Issuer has complied with and is in compliance with the provisions of the Companies Act 2013, if applicable, the extant SEBI Regulations and the terms and conditions of the captioned Debentures and there is no event of default which has occurred or continuing or subsisting as on date.	Complied
b.	There are no additional covenants (including side letters, accelerated payment clause, etc.) other than those covered in transaction documents *(Changes if any by way of inclusion of additional covenants to be disclosed along with copies thereof).*	No additional covenants
c.	There are no changes to or restructuring of the terms of Issue.	No change
d.	There is no major change in composition of its Board of Directors, which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. (*Changes (if any) to be disclosed along with copies of intimation made to the stock exchanges*)	No such change. However, during the quarter ended March 31, 2025 following changes have occurred on the Board of the Company: a. Appointment of Mr. Ravi Kapoor as an Independent Director w.e.f. December 30, 2024 (Postal Ballot February 14, 2025); b. Appointment of Ms. Rashmi Joshi as an Independent Director w.e.f. December 30, 2024 Postal Ballot February 14, 2025).
e.	There is no change in nature and conduct of business of the Issuer. [*Changes (if any) whether pre intimated to the debenture trustee along with copies of the pre intimation*)	No change
f.	There is no amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer	No such activity

	(Proposals (if any) to be disclosed along with copies of intimation made to the stock exchanges along with scheme copies)	
g.	There are no outstanding litigations, orders, directions, notices, of court/tribunal affecting, or likely to materially affect the interests of the Debenture Holders or the assets, mortgaged and charged under security creation documents, if any. *[Litigations, orders, directions etc.,(if any) be disclosed along with copies of orders, directions, notices etc.,]*	No such cases
h.	There were no proposals placed before the board of directors, for considering alterations to any ISIN for which ATSL is debenture trustee, seeking- - alteration in the form or nature of the ISIN; - alteration in rights or privileges of the holders thereof; - alteration in the due dates on which interest or redemption is payable - any matter affecting the rights or interests of holders. *(Alterations [if any] to be disclosed along with copies of intimation made to the stock exchanges)*	No such proposals
i.	There are no changes to the security provisions such as: - a change in underlying security - creation of additional security or - creation of security in case of unsecured debt securities (Changes (if any) to be disclosed along with copies of intimation made to the stock exchanges)	Not applicable
j.	There were no disclosures made to the stock exchange in terms of Regulation 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which may have a bearing on the performance/operation of the Issuer, price sensitive information or on the payment of interest or redemption of the Debentures. *(Disclosures [if any] to be disclosed along with copies of intimation made to the stock exchanges)*	No such disclosures

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k.	Status with respect to compliance of all covenants of the listed debt securities certified by Statutory Auditor of the issuer. (Waivers in compliance of covenants [if any] to be disclosed along with copies of consents/waivers on record, in case of breach of covenants, to provide reasons and further action taken thereof) (Provide certificate as to the compliance of above to Debenture Trustee on quarterly basis.)	Complied. As per the terms of the Trust deed and pursuant to the provisions of Regulation 54 read with Regulation 56(1)(d) of SEBI (LODR) Regulations, 2015, the Company has obtained Certificate from the Statutory Auditor for the half year ended March 31, 2025 on May 08, 2025 w.r.t. Compliance with all the covenants. The said certificate is also submitted to Debenture trustee on May 08, 2025. Certified Copy of the same as been enclosed.
l.	The submissions to the stock exchange have been done in timely manner as per Applicable Law and requisite information has been provided to the Debenture Trustee and debenture holders, as applicable.	Complied
m.	In the event any security has been provided in terms of the transaction documents: - Security Documents executed by the Issuer remain valid (including but not limited to the purpose of and as provided in Limitation Act 1963), subsisting and binding upon the Issuer. - Assets are free from any other encumbrances except those which are specifically agreed to by the debenture holders - Assets have been insured against all risks as prescribed in the Prospectus/Information Memorandum of the captioned Debentures and Security Documents thereof. - All the Insurance policies obtained are valid, enforceable and cover the risks as required under the Information Memorandum/Debenture Trust Deed and are endorsed in favour of Debenture Trustee as 'Loss Payee'. The premium in respect of the following insurance policies have been paid. *The Policies are annexed as Part 4 to the QCR.*	Not applicable

2. Others

Sr. No.	Particulars	Comments
a.	Details of Corporate Debt Restructuring proposed or implemented or under implementation [if any]	No such case
b.	Details of lenders/creditors joining or entering into Inter Creditor Agreement as per RBI guidelines.	No such case

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BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

c.	Details of Fraud/defaults by promoter or key managerial personnel or by Issuer or arrest of key managerial personnel or promoter;	No such case
d.	Details of one time settlement with any bank (if any);	No such case
e.	Details of Reference to Insolvency or a petition (if any) filed by any creditor	No such case

f.	Confirmation that a functional website containing, amongst other requirements as per Reg. 62 of the SEBI LODR, the following information is maintained by the Issuer:-
	- Details of business
	- Composition of Board
	- Financial Information including
	  - (i) notice of Meeting of Board of Directors where financial results shall be discussed
	  - (ii) financial results, on the conclusion of the meeting of the board of directors where the financial results were approved
	  - (iii)complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc
	- email address for grievance redressal and contact information of designated officials of issuer handling investor grievance.
	- name of the debenture trustees with full contact details.
	- the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible debt securities.
	- all information and reports including compliance reports filed by the Issuer.
	- (i) Default by issuer to pay interest or redemption amount [if any]
	- (ii) failure to create a charge on the assets [if any].
	- (iii) all credit ratings obtained by the entity for all its listed non-convertible securities, updated immediately upon any revision in the ratings [if any]
	- (iv) statements of deviation(s) or variation(s) as specified in sub-regulation (7) and sub-regulation (7A) of regulation 52 of these regulations.
	- (v) annual return as provided under section 92 of the Companies Act, 2013 and the rules made thereunder.
		Complied

g.	Issuer to provide information, notices, resolutions, report, call letters, circulars, proceedings, etc., concerning new issuance of NCDs and meetings of NCD holders.(Regulation 56 (1)(b)	Complied

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h.	**Information to be submitted to the Debenture holders (Regulation 58)** Confirmation that we shall in terms of the **Regulation 58 of the** SEBI (Listing Obligations and Disclosure Requirements) 2015 send to the Debenture Holders the following documents and information:-	
	- Soft copies of full annual reports to those who have registered their email address(es) either with the Issuer or with any depository.	Complied
	- Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders who have not registered their email address.	Not applicable
	- Hard copies of full annual reports to those who request for the same.	No such cases
	- Notice(s) of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting.	Not applicable
	- Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.	Not applicable
i.	In cases where NCDs/Debentures have been previously rated by Brickwork Rating Agency Pvt. Ltd., Issuer to provide undertaking that fresh rating from another SEBI registered CRA(s) holding a valid certificate of registration under CRA regulation has been obtained.	No such case
j.	Issuer to provide status of compliance and details of disclosures with respect to issue of green debt securities, if applicable.	Not applicable

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3. **ISIN wise confirmations**

a. Details of Interest/principal payment due in preceding quarter

ISIN No	Series/ tranche	Due date of redemption and/or interest *(falling in the previous quarter)*	If Paid		If delayed/ Unpaid/ defaulted	
			Date of payment	*Date of intimation to Stock Exchange As per Reg. 57(5)(a) SEBI LODR*	*Reasons thereof and further action taken, if any*	*Date of intimation to Stock Exchange as per Reg. 57(5)(b)SEBI LODR*
-	-	-	-	-	-	-

b. Details of Interest/principal payment due in the quarter

ISINs	Series/ tranche	Due date of redemption and/or interest falling in quarter	Date of intimation to Stock Exchange [within 5 working days prior to the beginning of the quarter]
INE465A08038	7.8% BFL 2025	March 20, 2025 (Interest)	Not Applicable vide SEBI (LODR) (Second Amendment) Regulations, 2023 dated June 14, 2023

c. Details of complaints/grievances in the following format. In case no complaints have been received, a confirmation thereof.

ISIN No.	No. of pending Complaints at the end of last quarter	No. of complaints received during the quarter	Nature of the Complaint(s) [delay/default in interest/redemption/others]	No. of complaints resolved during Quarter [within 30 days]	No. of complaints unresolved during Quarter [more than 30 days]	Reason *(if pending for more than 30 days)*	Steps taken to resolve the complaint
No complaints received							

d. Recovery Expense Fund

Issue Size (in ₹ crores)	ISINs	Size/ Value of Recovery fund maintained	Date of creation of REF	Mode of maintenance	Addition in the Recovery Expense Fund during the quarter	Details of funds withdrawn on account of redemption, if any, during the quarter

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BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

500	INE465A08012	INR 5,00,000/-	March 04, 2021	Bank Guarantee	N.A.	N.A.
200	INE465A08020	INR 2,00,000/-	April 11, 2022	Bank Guarantee	N.A.	N.A.
125	INE465A08038	INR 1,25,000/-	March 20, 2024	Bank Guarantee	N.A.	N.A.

e. Debenture Redemption Reserve as per Companies (Share Capital and Debentures) Rules, 2014

Issue size (including ISIN)	Type of entity (NBFC/ HFC/FI/ Other) along with listing status	Applicability of Debenture Redemption Reserve [DRR]1	DRR [in % and in amount Crs.] created as per Companies (Share Capital and Debentures) Rules, 2014)[2]
Not Applicable			

f. Debenture Redemption Funds as per Companies (Share Capital and Debentures) Rules, 2014

ISIN (that is maturing in the current FY)	Issue Size (in ₹ crores)	Amount outstanding	Status of maintenance of DRF[3] (15% of amount of debentures maturing during the year ending on 31st March or invest in securities enlisted in Rule 18 (1) (c) of Companies (Share Capital and Debenture) Rules, 2014)
Not Applicable			

g. Unclaimed Interest / Redemption

ISIN no. for which interest /redemption is unclaimed	No. of days for which unclaimed	If more than 30 days, whether transferred to escrow account [if so, provide details]	If unclaimed for more than seven years whether transferred to the 'Investor Education and Protection Fund'
Not Applicable			

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

[1] Not Applicable for All India Financial Institutions regulated by RBI, Banking Companies, listed and unlisted NBFCs and HFCs registered with RBI, equity listed companies. Applicable to debt listed companies and others.
[2] 10% of outstanding value of debentures.
[3] Applicable to listed companies, listed NBFCs and HFCs registered with RBI for their public issuances. In case of private issuances to unlisted companies.

PART 3

Statutory Auditor Confirmations

Sr.	Particulars of Information/Documents	Comments
I	**Unsecured Listed Debt Issuances**	
a	**Quarterly Confirmations:**	
	➢ Compliance status with respect to financial covenants ➢ The Certificate issued by the statutory auditor of the issuer company shall have the Unique Document Identification Number (UDIN) generated in the manner prescribed by the relevant regulatory authority.	Complied. Certificate of the Statutory Auditor is enclosed as **Annexure 1**
b	**Half Yearly Confirmations:**	
	➢ Half yearly certificate[7] regarding confirmations of compliance of all covenants with respect to the debt securities shall be submitted for HY1 and HY2 as per Reg 56 (1)(d) of SEBI LODR Regulations along with Q2 and Q4 QCR. ➢ The Certificate issued by the statutory auditor of the issuer company shall have the Unique Document Identification Number (UDIN) generated in the manner prescribed by the relevant regulatory authority.	Certificate of the Statutory Auditor is enclosed as **Annexure 1**
II	**Other Confirmations (Applicable for Secured and Unsecured Listed Debt Issuances):**	
	➢ End Utilisation of Funds certificate from statutory auditor of the entity along with copy of the annual report as per Regulation 56 (1) (a) of LODR 2015 read with Regulation 15 (1A) (c) of DT regulations 1993:- - Where the funds are raised for financing projects – Certificate from the auditor of the entity in respect of utilization of funds for the implementation period of the project for which the funds have been raised; - Where the funds are raised for financing working capital or general corporate purposes or for capital raising purposes – Auditor certificate be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.	Complied. Certificate of the Statutory Auditor is enclosed as **Annexure 2**

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PART 4

Original / Certified True Copies of documents [as applicable] to be annexed to the QCR

<table>
<tr><th>Sr.no.</th><th>Particulars of Documents</th><th>Furnished Yes/No</th></tr>
<tr><td>a.</td><td>An updated list of Debenture holders registered in the Register of Debenture Holders/BENPOS in the following format:
<table>
<tr><th colspan="6">ISSUE-WISE PARTICULARS</th></tr>
<tr><td>ISIN no.</td><td>Series/ tranche</td><td>Name(s) of Debenture Holder</td><td>Address</td><td>Contact No.</td><td>Email Id</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table></td><td>Attached as Annexure 3</td></tr>
<tr><td>b.</td><td>Letter from Credit Rating Agency along with rationale for revision
<table>
<tr><th>ISIN Nos.</th><th>Issue Size</th><th>Name of CRA/s</th><th>Previous Rating</th><th>Revision in Credit Ratings</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
</table></td><td>Attached as Annexure 4</td></tr>
<tr><td>c.</td><td>All Insurance Policies duly endorsed in favour of the Debenture Trustee as 'Loss Payee'.(If applicable)
<table>
<tr><td>Issue Size</td><td>Policy No.</td><td>Coverage (Rs.)</td><td>Period & expiry date</td><td>Status of Endorsement</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
</table></td><td>No
(Not applicable)</td></tr>
<tr><td>d.</td><td>Copy of un-audited quarterly financials [signed by MD/Executive Director] along with Limited Review Report prepared by the statutory auditors*

- To cover line items mentioned under Reg. 52 (4), 54(2) & 54(3) of SEBI LODR
- To be submitted within forty- five days from the end of the quarter except last quarter
- To be submitted to the trustee on same day as submitted to stock exchanges

* In case issuer's accounts are audited by Comptroller and Auditor General of India, the report to be provided by any practicing Chartered Accountant.</td><td>Yes</td></tr>
<tr><td>e.</td><td>Copy of audited quarterly and year to date standalone financial results [signed by MD/Executive Director]

- To cover line items mentioned under Reg. 52 (4), 54(2) & 54(3) of SEBI LODR
- To be submitted within forty- five days from the end of the quarter except last quarter</td><td>No</td></tr>
</table>

	- To be submitted to the trustee on same day as submitted to stock exchanges	
f.	Annual audited standalone and consolidated financial results, along with the statutory auditors report, the directors report, annual report, profit and loss accounts, balance sheets - To cover line items mentioned under Reg 52 (4), 54(2) & 54(3) of SEBI LODR - To be submitted within sixty days from the end of the financial year on the same day as submitted to the stock exchanges - In case issuers are audited by Comptroller and Auditor General of India (i) financial results audited by auditor appointed by the Comptroller and Auditor General of India to be submitted to the Stock Exchange(s) and trustees within sixty days from the end of the financial year. (ii) on completion of audit by the Comptroller and Auditor General of India- the financial results to be submitted to the Stock exchange(s) and debenture trustee within nine months from the end of the financial year.	Yes, for the financial year ended March 31, 2024.
g.	Issue Wise/ISIN Wise Utilization Statement submitted to Stock Exchange as per Reg. 52(7) of SEBI LODR on quarterly basis until the debenture proceeds are completely utilized or the purpose for which the funds have been raised is achieved.	NIL
h.	Material deviation in the use of proceeds as compared to the objects submitted to stock exchange, if applicable.	Not applicable
i.	Confirmation on whether the report received from monitoring agency as mentioned in sr.no.(i) above has been placed before Audit Committee meeting on quarterly basis, promptly upon its receipt, if applicable. [Reg. 32(7) of SEBI LODR]	Not applicable
j.	ISIN Wise intimations sent to Stock Exchange as per Regulation 57(1), (4) & (5) of the SEBI LODR with respect to interest/principal payment of Debentures	Yes
k.	Periodical reports from lead bank regarding progress of the Project [in case debentures are raised for financing projects]	No
l.	Annual report as per Reg. 53 (2)(a) of SEBI LODR for financial year end.	Not Applicable
m.	Stock Exchange Confirmation on the REF created or replenished during the quarter	Yes

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza
Westin Hotel Campus
36/3-B, Koregaon Park Annex
Mundhwa Road, Ghorpadi
Pune - 411 001, India
Telephone: +91 (20) 6747 7300
Fax: +91 (20) 6747 7100

Private and confidential
The Board of Directors
Bharat Forge Limited
Mundhwa, Pune Cantonment
Pune – 411036

08 May 2025

Independent Auditors' Certificate on compliance with Covenants as at March 31, 2025 for submission to Axis Trustee Services Limited (the 'Debenture Trustee')

1 This certificate is issued in accordance with the terms of our engagement letter dated August 26, 2022 and addendum to the engagement letter dated November 8, 2024.

2 We, B S R & Co. LLP, Chartered Accountants, the statutory auditors of the Company have been requested by the management of the Company to certify the following accompanying Statement containing compliance with the covenants for:

a) 5,000 (five thousand) (2,500 (two thousand five hundred) outstanding as at March 31, 2025) listed, rated, unsecured, redeemable, non-convertible debentures as at March 31, 2025 (hereinafter referred to as "the Statement- I") which has been prepared by the Company as per the Information Memorandum dated August 03, 2020, Addendum to the Information Memorandum dated December 04, 2020 and Debenture Trust Deed dated November 03, 2020 (herein after referred to as "the Information Memorandum, Addendum to the Information Memorandum and Debenture Trust Deed")

b) 2,000 (two thousand) listed, rated, unsecured, redeemable, non-convertible debentures as at March 31, 2025 (hereinafter referred to as "the Statement- II") which has been prepared by the Company as per the Information Memorandum dated April 13, 2022, Debenture Trust Deed dated April 19, 2022 (herein after referred to as "the Placement Memorandum, Addendum to the Information Memorandum and Debenture Trust Deed")

c) 12,500 (twelve thousand five hundred) listed, rated, unsecured, redeemable, non-convertible debentures as at March 31, 2025 (hereinafter referred to as "the Statement- III") which has been prepared by the Company as per the Placement Memorandum dated March 15, 2024 and Debenture Trust Deed dated March 19, 2024 (herein after referred to as "the Information Memorandum, Addendum to the Information Memorandum and Debenture Trust Deed")

('Annexure', 'Statement I', 'Statement II' and 'Statement III' hereinafter collectively referred as "the Statements") from the Audited Standalone and Consolidated Financial statements of the Company and other relevant records and documents maintained by the Company as at and for the half year ended March 31, 2025.

This Report is required by the Company for the purpose of submission with Axis Trustee Services Limited (hereinafter referred as the "Debenture Trustee") of the Company.

B S R & Co. LLP
Business Plaza
Westin Hotel Campus
36/3-B, Koregaon Park
Annex, Ghorpadi
Pune-411001
India
Chartered Accountants

Management's Responsibility

3 The Management of the Company is responsible for the preparation of the said Statements including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the said Statements and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management of the Company is also responsible to comply with the Regulations.

4 The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of SEBI regulations and for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Information Memorandum, Addendum to the Information Memorandum, Placement Memorandum and Debenture Trust Deed entered into between the Company and the Debenture Trustee.

Auditors' Responsibility

5 It is our responsibility to provide limited assurance as to whether:

a) for 5,000 (five thousand) (2,500 (two thousand five hundred) outstanding as at March 31, 2025) listed, rated, unsecured, redeemable, non-convertible debentures, the Company is in compliance with all the covenants mentioned in the Fifth Schedule and Clause 2 of Part A of the Debenture Trust Deed and the financial, information, negative and ownership covenants mentioned in Clause 3 of Information Memorandum as on March 31, 2025 (herein after referred to as "the said covenants").

b) for 2,000 (two thousand) listed, rated, unsecured, redeemable, non-convertible debentures, the Company is in compliance with all the covenants mentioned in the Schedule I and Clause 3 of Part A of the Debenture Trust Deed and the financial, information, negative and ownership covenants mentioned in Clause 14 of Information Memorandum as on March 31, 2025 (herein after referred to as "the said covenants").

c) 12,500 (twelve thousand five hundred) listed, rated, unsecured, redeemable, non-convertible debentures, the Company is in compliance with all the covenants mentioned in the Schedule I and Clause 3 of Part A of the Debenture Trust Deed and the financial, information, negative and ownership covenants mentioned in Clause 14 of Information Memorandum as on March 31, 2025 (herein after referred to as "the said covenants").

6 We have performed audit of the standalone and consolidated Ind-AS financial statements of the Company for the year ended March 31, 2025 prepared by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and have issued an Unmodified Opinion dated May 8, 2025. Our audit of these financial statements was conducted in accordance with the standards on auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. These standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

B S R & Co. LLP Chartered Accountants 8th Floor, Westin Hotel Campus 36/3-B, Koregaon Park Annex, Ghorpadi Pune-411001 India

Auditors' Responsibility (continued)

7 We conducted our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9 Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.

10 A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation compliance with covenants (including financial, informative and negative covenants):

a) Obtained and verified the computation of Net Debt/Equity, Net Debt/EBITDA, Net Assets/Total Debt from the audited standalone and Net Debt/Equity from the audited consolidated financial statements of the Company as at March 31, 2025.
b) Obtained and verified the computation of earnings before interest expense, tax, depreciation and amortization (EBITDA) for the year April 01, 2024 to March 31, 2025.
c) Obtained and verified the credit rating from the communication received by the Company from Investment Information and Credit Rating Agency (ICRA).
d) Verified the repayment schedule from the Debenture Trust Deed and noted that no sums were due for the period from October 01, 2024 to March 31, 2025.

e) With respect to the said covenants, other than those mentioned above, we have relied on the management representation and confirmation that the Company has complied with all these covenants as on March 31, 2025 and we have not performed any independent procedures in this regard.
f) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

11 Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that, the Company is not in compliance with the said covenants as on and for the half year ended March 31, 2025.

Restriction on use

This certificate is being solely issued at the request of the management of the Company for onward submission to Axis Trustee Services Limited. Our certificate is not suited for any other purpose and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W/W-100022

Shiraz Vastani
Partner
Membership No.: 103334
UDIN: 25103334BMOVUU5412

Place: Pune
Date: May 8, 2025

Azadi Ka Amrit Mahotsav

BHARAT FORGE

Annexure of Compliance with Covenants for 5,000 (five thousand) (2,500 (two thousand five hundred) outstanding as at March 31, 2025), 2,000 (two thousand) and 12,500 (twelve thousand five hundred) unsecured, rated, listed redeemable non-convertible debentures as at and for the half year ended March 31, 2025

Information as at and for the half year ended March 31, 2025 pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Bharat Forge Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company's shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of forged and machined components including aluminium castings for auto and industrial sector.

The Company has issued 5.97% (per annum) rated, listed, unsecured, redeemable, non-convertible debentures having face value of Rs. 5,000 Million (Rs.2,500 Million outstanding as at March 31, 2025), 5.80% (per annum) rated, listed, unsecured, redeemable, non-convertible debentures having face value of Rs. 2,000 Million and 7.80% (per annum) rated, listed, unsecured, redeemable, non-convertible debentures having face value of Rs. 1,250 Million ('Debentures') and are listed on the National Stock Exchange of India Limited.

The Company has prepared this Statement of Compliance with Covenants as at and for the half year ended March 31, 2025 pursuant to regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

5.97% (per annum) unsecured, rated, listed, redeemable, non-convertible debentures having face value of Rs. 5,000 Million (Rs.2,500 Million outstanding as at March 31, 2025), 5.80% (per annum) unsecured, rated, listed, redeemable, non-convertible debentures having face value of Rs. 2,000 Million and 7.80% (per annum) rated, listed, unsecured, redeemable, non-convertible debentures having face value of Rs. 1,250 Million

Sr. No.	Particulars	Covenant	As on March 31, 2025
1.	**Financial Covenant Compliance (basis audited standalone financial statements)**		
a.	Net Debt / Equity*	< 0.60	0.10
b.	Net Debt / EBIDTA	< 2.00	0.40
c.	Net Assets / Total Debt	> 1.20	3.70
2.	**Financial Covenant Compliance (basis audited consolidated financial statements)**		
a.	Net Debt / Equity#	< 1.50	0.26

The above-mentioned ratios have been computed as per the formulae contained in the financial covenants and conditions listed in the Debenture Trust Deed read with necessary definitions contained in the Information Memorandum and Placement Memorandum.

*Equity is sum total of Equity Share Capital and Other Equity (after netting off the Proposed Dividend as per the audited standalone financial statements of the Company as at March 31, 2025).

#Equity is sum total of Equity Share Capital and Other Equity (after netting off the Proposed Dividend as per the audited consolidated financial of the Company as at March 31, 2025).

Net assets, total debt, net debt, equity and EBITDA has been computed from the audited standalone financial statements of the Company as at March 31, 2025.

Net debt and equity been computed from the audited consolidated financial statements of the Company as at March 31, 2025.

Refer Statement I, Statement II and Statement III for the list of covenants to pay principal and interest, information covenants and negative covenants, as prescribed in the Debenture Trust Deed, Information Memorandum, Addendum to Information Memorandum and Placement Memorandum as at and for the half year ended March 31, 2025.

For Bharat Forge Limited

Tejaswini Chaudhari
Company Secretary
Membership No.18907
Date: May 8, 2025
Place: Pune

Sameer Paranjape
Associate Vice President - Finance
PAN: ALJPP2744E

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

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For B S R & Co. LLP

KALYANI GROUP COMPANY

`Statement I to the Certificate of Compliance with Covenants for 5,000 (five thousand) (2,500 (Two Thousand Five Hundred) outstanding as at March 31, 2025) unsecured, rated, listed redeemable non-convertible debentures as at and for the half year ended March 31, 2025'

List of covenants as prescribed in the Debenture Trust Deed, Information Memorandum, Addendum to Information Memorandum and their compliance status as at and for the half year ended March 31, 2025

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
A.	**2.**	**AMOUNT OF DEBENTURES AND COVENANT TO PAY PRINCIPAL AND INTEREST**	
	2.1	**Covenant to Pay Principal and Interest**	
1	2.1 (a)	The Company covenants with the Debenture Trustee that it shall pay to the Debenture Holder(s), the respective Redemption Amount on the respective Redemption Date such that on the Final Redemption Date, the Debenture Holders shall have been paid the entire Obligations.	As per Part B of the Seventh Schedule to the Debenture Trust Deed, the next redemption for the non-convertible debentures is August 06, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
2	2.1 (b)	The Company covenants with the Debenture Trustee that the Company shall pay to the Debenture Holders, the Coupon or the Step-Up Coupon on the Obligations on the relevant Coupon Payment Date.	As per Part B of the Seventh Schedule to the Debenture Trust Deed, the next coupon payment for the non-convertible debentures is August 06, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
3	2.1 (c)	Coupon Step Up on rating action - In the event of a credit rating downgrade of the Debentures below 'AA' by any credit rating agency, the Coupon will be revised upwards by 0.25% per annum (effective from the date on which the downgrade occurs) for every notch downgrade in the credit rating (the "Step up Coupon"), which shall be	The Company obtains credit rating for the non-convertible debentures from ICRA Limited on an annual basis. During the half year ended, the Company has obtained credit rating on March 12, 2025 wherein the rating agency reaffirmed the credit rating of ICRA AA+ with outlook 'stable'. The said rating is also appearing on the website of ICRA Limited. Hence, the

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		payable on the next immediate Coupon Payment Date. Such Step up Coupon shall be payable on the outstanding Debenture from the date of such downgrade in the credit rating. The Coupon shall be restored, i.e., at 5.97% per annum if the credit rating of Debentures is upgraded from "AA-"back to "AA".	said covenant is not applicable since there is no downgrade in Company's rating issued by ICRA.
4	2.1 (d)	In the event of rating downgrade of the Debenture to A+ or below or suspension / withdrawal of the rating of the Issuer / Debenture by any rating agency, the Debenture Holders would reserve a right to recall the outstanding principal amount on the Debentures along with other monies/accrued interest due in respect thereof.	The Company obtains credit rating for the non-convertible debentures from ICRA Limited on an annual basis. During the half year ended March 31, 2025, the Company has obtained credit rating on March 12, 2025 wherein the rating agency reaffirmed the credit rating of ICRA AA+ with outlook 'stable'. The said rating is also appearing on the website of ICRA Limited. Hence, the said covenant is not applicable since there is no downgrade in Company's rating issued by ICRA.
5	2.1 (e)	The Company shall, at all times until the Obligations have been duly discharged, maintain a bank account no. 00070110000017 with HDFC Bank Limited, Branch Bhandarkar Road ("Account Bank") from which it proposes to pay the Redemption Amount. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day (being the working day of the Stock Exchange) of any change in the Account Bank details.	The Company has maintained the Account Bank from which it proposes to pay the Redemption Amount. There have been no change in the Account Bank details as at and during the half year ended March 31, 2025.
6	2.1 (f)	The Company further acknowledges, agrees, and shall cause the Account Bank to acknowledge and agree, that the Debenture Trustee is authorised to seek redemption payment related details and information from the Account Bank in terms of the extant SEBI Regulations. A duly accepted and acknowledged pre-authorization	As per Part B of the Seventh Schedule to the Debenture Trust Deed, the partial redemption for the non-convertible debentures took place on August 06, 2024. Further, there has been no change of Account Bank during the half year ended March 31, 2025. The pre-authorization letter from the Company and Account bank as mentioned in the Sixth Schedule

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KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		letter consent letter/s from the Company and Account Bank are annexed herewith as the Sixth Schedule. Further, in case of change of account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter from the successor /new account bank.	to the Debenture Trust Deed is valid and has not undergone any changes during the half year ended March 31, 2025.
7	2.1 (g)	The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay all the monies payable by the Company (including any applicable default interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holders pursuant to the terms of this Deed.	All the amounts due have been paid off to Debenture Holder as stated in this covenant. This covenant is not applicable for the half year ended March 31, 2025.
	2.2	**Covenant to pay outstanding Obligations**	
8	2.2(a)	The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay and discharge in full all the Obligations payable by the Company (including any applicable Default Interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holders pursuant to the terms of this Deed on the relevant Due Date.	All the amounts due have been paid off to Debenture Holder as stated in this covenant. There were no sums due to the debenture holders during the half year ended March 31, 2025.
9	2.2(b)	If any amount paid to the Debenture Holders in respect of the Debentures is (a) held to be void or set aside on the liquidation or winding up of the Company or otherwise, or (b) required to be shared by the Debenture Trustee and/or the Debenture Holders under Applicable Law or under any sharing arrangement with any other	All the amounts due have been paid off to Debenture Holder as stated in this covenant. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.

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BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		creditor of the Company or any other Person, then for the purpose of this Deed such amount shall not be considered to have been paid.	
10	2.2(c)	Further, if so called upon by the Debenture Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Debenture Trustee and such payment shall be deemed to be in satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holder(s). Such payments shall be passed on to the Debenture Holder(s), subject to the appropriation in the order of preference mentioned in 'Terms and Conditions' more particularly described in the First Schedule hereunder written.	No amounts have been called upon by the Debenture Trustee as stated in this covenant. Accordingly, this covenant is not applicable as at and for the half year ended March 31, 2025.
B.	**Schedule V**	**NEGATIVE COVENANTS** **The Company hereby agrees that it shall not undertake the following without the prior written consent of the Debenture Trustee (acting on Approved Instructions):**	
11	1	**Dividend** So long as an Event of Default or potential Event of Default has occurred or is continuing or may occur as a result thereof, declare any dividend (either in cash or property or obligations) for the shareholders or make or declare any payments to shareholders or Promoters for any Financial Year. The Company shall not forfeit unclaimed interest/dividend and such unclaimed interest/dividend shall be transferred to "Investor Education and Protection Fund" as per Section 125 of the Act.	No event of default or potential event of default as defined in clause 8 of the Debenture Trust Deed, has occurred or is continuing as at and for the half year ended March 31, 2025. Also, no event of default or potential event of default has occurred as a result of declaring and payment of dividend in the half year ended March 31, 2025. Further, with respect to the dividend on equity shares, the Company has not forfeited unclaimed dividend and such unclaimed dividend has been transferred to the "Investor Education and Protection Fund" as per Section 125 of the Act.

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BHARAT FORGE LTD. MUNDHWA 411 036

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
12	2	**Wilful Defaulter** The Company shall not appoint a person as its director who is also a director on the board of any other company, which has been identified as a wilful defaulter/non-cooperative by any bank or financial institution as per the parameters determined by the RBI from time to time. If a person is found to be a wilful defaulter/non-cooperative, the Company shall immediately take all necessary and effective actions to remove such person from its Board as and when it comes to notice of the Company.	No person has been appointed as a Director of the Company who is also a director on the board of any other company, which has been identified as a wilful defaulter / non-cooperative by any bank or financial institution as per the parameters determined by the RBI from time to time.
13	3	**Arms-Length Dealings** The Company shall not enter into any arrangement, agreement or commitment (including any derivative transaction) with any Person or pay any fees, commissions or other sums on any account whatsoever to any Persons, which will impact the performance of the obligations under the Transaction Documents, other than in the ordinary course of business under Section 188 of the Act or as permitted otherwise in the Transaction Documents.	The Company has not entered into any arrangement, agreement or commitment (including any derivative transaction) with any Person or paid any fees, commissions or other sums on any account whatsoever to any Persons, which will impact the performance of the obligations under the Transaction Documents, other than in the ordinary course of business under Section 188 of the Act which are duly approved by the Board of Directors or as permitted otherwise in the Transaction Documents during the half year ended March 31, 2025.
14	4	**Sanctions** The Company shall not, and shall not permit or authorize any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the Debenture Amounts to fund any trade, business or other activities: i. involving or for the benefit of any Restricted Party; or	The Company has not permitted or authorized any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the Debenture Amounts to fund any trade, business or other activities involving or for the benefit of any Restricted Party; or in any other manner that would reasonably be expected to result in any person (including any person participating in the offering, whether as underwriter, advisor, investor or otherwise) being in

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		ii. in any other manner that would reasonably be expected to result in any person (including any person participating in the offering, whether as underwriter, advisor, investor or otherwise) being in breach of any Sanctions or becoming a Restricted Party.	breach of any Sanctions or becoming a Restricted Party during the half year ended March 31, 2025.
15	5	**Terms of Debentures** The Company shall not make any modification to the structure of the Debenture in terms of Coupon, conversion, Redemption, or otherwise.	The Company has not made any modification to the structure of the Debenture in terms of coupon, conversion, redemption or otherwise during the half year ended March 31, 2025.
16	6	**Amendment of constitutional document** The Company shall not amend or modify any of its constitutional documents without prior consent of the Debenture Trustee, if such amendment or modification adversely affects the rights or interests of the Debenture Holders.	The Company has not amended or modified any of its constitutional documents during the half year ended March 31, 2025.
17	7	**No material change in business** The Company shall not bring about any material change in course of business.	The Company has not made any material change in the course of business as at and for the half year ended March 31, 2025.
18	8	**Restriction on creation of charge** Save for the existing secured borrowings, working capital facilities (existing and future) and right of use assets, the Company shall not create any mortgage or charge over its moveable and immoveable fixed assets without offering similar security for the Debentures to the Debenture Holders.	Except for the existing secured borrowings, working capital facilities (existing and future) and right of use assets, the Company has not created any mortgage or charge over its movable and immoveable fixed assets during the half year ended March 31, 2025.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
19	9	**Amalgamation or Reconstruction** The Company shall not enter into amalgamation, demerger, merger or reconstruction scheme, without prior written consent of the Debenture Trustee.	The Company has not entered into any material scheme of amalgamation, demerger, merger or reconstruction during the half year ended March 31, 2025.
20	10	**Restriction on undertaking financial obligation** The Company shall not enter into any financial obligation or undertake any financial obligation of a long term nature which may have a material adverse effect on the financial health of the Company.	The Company has not entered into any financial obligation or undertaken any financial obligation (other than financial guarantees or financial support provided to its subsidiaries) of a long-term nature having a material adverse effect on the financial health of the Company during the half year ended March 31, 2025.
C.	Schedule V	**INFORMATION COVENANTS** **The Company shall supply to the Debenture Trustee the information required to be provided by the Company to the Debenture Trustee under Applicable Law, including without limitation the following:**	
21	1	The Issuer shall furnish to the debenture holders every year a copy of audited standalone and consolidated annual financial statements of the Issuer immediately after this is informed to Stock Exchange	The covenant requires the Company to furnish a copy of its audited standalone and consolidated financial statements to the Debenture Trustee, immediately after the same is informed to the Stock Exchange. The Company had submitted its audited standalone and consolidated financial statements on May 08, 2024 for the year ended March 31, 2024.
22	2	The Issuer shall furnish certified true copies of the annual (audited) financial statements of the Issuer (prepared on both standalone and consolidated basis) within 150 (One Hundred and Fifty) days following the closure of the preceding Financial Year; and quarterly un-audited accounts (prepared on consolidated basis of the Issuer within 45 (forty five) days of end of quarter	Annual (audited) financial statements: The covenant requires the Company to furnish certified true copies of its audited standalone and consolidated financial statements to the Debenture Trustee within prescribed timelines i.e., 150 days following closure of the preceding financial year. The Company has submitted its audited standalone and consolidated financial statements on May 08, 2024 for the year ended March 31, 2024.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
			Quarterly un-audited accounts: The Company has submitted the quarterly results to the debenture trustee for the September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively.
23	3	Issuer shall inform of the happening of any event that has a material adverse effect forthwith upon its occurrence	No event having a material adverse effect on the Company as defined in the Debenture Trust Deed, has occurred during the half year ended March 31, 2025. Hence, this covenant is not applicable for the half year ended March 31, 2025.
24	4	Promptly upon becoming aware of them, the details of any event which may have a Material Adverse Effect	No event having a material adverse effect on the Company as defined in the Debenture Trust Deed, has occurred during the half year ended March 31, 2025.
25	5	All, half yearly and annual financial results required to be submitted to the Debenture Trustee as per Applicable Law within the prescribed timelines, immediately after it is informed to the Stock Exchange	The Company has submitted the audited standalone and consolidated financial results for the year ended March 31, 2024 on May 08, 2024 and half-year ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 to the debenture trustee immediately after informing the Stock Exchange.
26	6	At the end of each year from the Deemed Date of Allotment, a certificate from an independent Chartered Accountant with respect to the use of the proceeds raised through the Issue to the extent amounts unutilised.	The Company had utilised the entire proceeds of the issue by the month of November 2020. The Company had obtained a report for utilization of proceeds from its statutory auditors dated December 05, 2020 and the same was submitted to the Debenture Trustee within prescribed timelines. The unutilised amount as at and during the half year ended March 31, 2025 is nil. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
27	7	Upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Debenture	The Company obtains credit rating for the non-convertible debentures from ICRA Limited on an annual basis. During the half year ended March 31, 2025 the Company has obtained credit rating on March 12, 2025 wherein the rating agency has reaffirmed the credit rating of ICRA AA+

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KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		Trustee of such change in the credit rating of the Debentures. Further the Company shall also inform the Debenture Trustee promptly in the case there is any default in timely payment of interest or redemption or A copy of all notices, resolutions and circulars relating to – i. new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities; ii. the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings	with outlook stable. As appearing on the website of ICRA Limited, there is no change in the credit rating available for these debentures as at March 31, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025. No rating down-grade is expected in the credit rating of the Company from any rating agency relevant for these debentures. The date of payment of partial redemption of Non - convertible Debentures was August 06, 2024. During the half year ended March 31, 2025, no meetings of holders of the non-convertible debentures were held.
28	8	Promptly, notice of any change in its authorized signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Debenture Trustee, accompanied (where relevant) by a specimen signature of each new signatory	There have been no changes in authorized signatories (in connection with the Transaction Documents) during the half year ended March 31, 2025.
29	9	Promptly intimate the Debenture Trustee (along with the Stock Exchange) if any of the following proposals are being placed before the Board of Directors, at least two working days in advance: i. Any alteration in the form or nature or rights or privileges of the Debentures.	No such proposals as mentioned in the covenant have been placed before the Board of Directors during the half year ended March 31, 2025.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		ii. Any alteration in the Due Dates on which interest on the Debentures or the Redemption amount is payable. iii. Any other matter affecting the rights and interests of the holders of debt securities is proposed to be considered.	
30	10	Promptly inform the Debenture Trustee of any disclosures made to the stock exchange in terms of Regulation 30 of the SEBI LODR Regulations and which may have a bearing on the Debentures.	No disclosures made to stock exchange in terms of Regulation 30 of the SEBI LODR Regulations during the half year ended March 31, 2025 have a bearing on debentures. Further, all the disclosures related to material events under regulation 30 of SEBI LODR was submitted to the Trustee during the half year ended March 31, 2025.
31	11	Promptly inform the stock exchange(s) and the Debenture Trustee all information having bearing on the performance/operation of the Company, any price sensitive information or any action that may affect the payment of interest or redemption of the Debentures in terms of Regulation 51(2) of the SEBI LODR Regulations.	No disclosures were required to be made to the stock exchanges and Debenture Trustee under Regulation 51(2) of the SEBI LODR Regulations.
32	12	Give prior intimation to the stock exchange(s) with a copy to the Debenture Trustee at least eleven Business Days before the date on and from which the interest on Debentures, and the redemption amount Debentures becomes payable.	The partial redemption of debentures was due on August 06, 2024. The covenant relating to prior intimation for payment of redemption amount was complied by the Company. This covenant is not applicable for the half year ended March 31, 2025.
33	13	Promptly within 2 (two) days of the Coupon or principal amount of the Debenture Amounts or both becoming due, a certificate to the stock exchange(s) along with the	There were no sums due to the debenture holders during the half year ended March 31, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website.	
34	15	The Company shall submit to the Debenture Trustee/stock exchange and the Debenture Holders correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the time lines and procedures specified in the SEBI Guidelines, circulars, directives and/or any other Applicable Laws.	The Company has submitted to the Debenture Trustee, correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) as and when requested during the half year ended March 31, 2025. Further, no other information was sought by the stock exchange and Debenture Holders as specified in the SEBI Guidelines, circulars, directives and/or any other Applicable Laws.
35	16	The Company shall promptly inform the Stock Exchange the following details (if any) i. amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company, ii. Fraud/defaults by promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or promoter; and iii. Reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor.	No such events as specified in the covenant have taken place during the half year ended March 31, 2025. However, with respect to acquisitions made or proposed by the Company during the half year ended March 31, 2025, the stock exchanges were duly informed of all related details as per Regulation 30 of the SEBI LODR Regulations.
36	17	The Company shall submit to the stock exchange for dissemination, along with the half yearly/annual financial results, the following information along with the Debenture Trustee's letter of noting of the said information:	The covenant requires the Company to furnish annual financial results to the Debenture Trustee within prescribed timelines, immediately after it is informed to the Stock Exchange. The Company has submitted its audited standalone and consolidated financial results on May 08, 2024 for year ended March 31, 2024.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		i. Credit rating of the Debentures or change in credit rating; ii. Debt-equity ratio; iii. Previous Due Date for the payment of Coupon / principal amount of Debentures and whether the same has been paid or not; iv. Next Due Date for the payment of Coupon /principal amount of the Debentures. v. Debt service coverage ratio; vi. Interest service coverage ratio; vii. Debenture redemption reserve, to the extent applicable; viii. Net worth; ix. Net profit after tax; x. Earnings per share; and xi. A statement indicating deviations, if any, in utilization of the proceeds of the Debentures.	The information stated in this covenant was a part of the unaudited financial results for the quarter ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively.

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BHARAT FORGE LTD. MUNDHWA 411 036

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
37	18	The Company shall within 7 (seven) days of the relevant Board meeting, submit a report including the following: i. Updated list of names and addresses of all the Debenture Holder(s) and the number of Debentures held by the Debenture Holder(s); ii. Details of Coupon due but unpaid, if any, and reasons for the same; iii. Details of payment of Coupon made on the Debentures in the immediately preceding calendar quarter; iv. The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holder(s) during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and v. Notification of default.	The Company has submitted the information required in this covenant to the Debenture Trustee for the quarter ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively.
38	19	The Company shall notify the Debenture Trustee of any potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.	No event of default or potential event of default as defined in clause 8 of the Debenture Trust Deed, has occurred as at and for the half year ended March 31, 2025. Accordingly, this covenant is not applicable as at and for the half year ending March 31, 2025.

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BHARAT FORGE LTD. MUNDHWA 411 036

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
39	20	The Company shall submit to the Debenture Trustee details relating to (a) any material adverse effect affecting its subsidiaries or joint ventures, (b) circumstances, if any, affecting the financial position of the Company (including any adverse action undertaken by a creditor, whether legal or otherwise), (c) change in the composition of the Company's Board of Directors, and (d) details of any material litigation, arbitration or administrative proceedings initiated, pending or threatened against the Company, within 1 day of occurrence.	During the half year ended March 31, 2025, there are no adverse reporting and hence the said covenant is not applicable on the Company. Further, during the half year ended March 31, 2025, following changes have occurred on the Board of the Company: a. Mr. Ravi Kapoor was appointed as an Independent Director w.e.f. December 30, 2024; b. Mrs. Rashmi Joshi was appointed as an Independent Director w.e.f. December 30, 2024;
40	21	Any other information which the Debenture Trustee may require in connection with the Issue.	The Debenture Trustee has not sought any information from the Company during the half year ended March 31, 2025 apart from the monthly Beneficiary Position which was duly shared with the Debenture Trustee as and when requested.
D.	**Schedule V**	**FINANCIAL COVENANTS AND CONDITIONS** **The Company shall comply with the following financials covenants, to the satisfaction of the Debenture Trustee, up till repayment and discharge in full of all Obligations under this Deed:**	
41		a) on standalone financials of the Issuer: i. Net Debt/Equity shall not exceed 0.60x ii. Net Debt/EBIDTA shall not exceed 3.00x for FY21 and 2.00x from FY22 onwards iii. Net Assets/Total Debt shall not exceed 1.20x	The covenant requires the company to comply with the various financial ratio. The company has maintained the said financial ratio as per the covenant. The covenant requires the company to provide financial statements within the prescribed timeline. The company has circulated the unaudited financial statements for semi-annual period within the prescribed period as per the covenant.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		The testing of the above covenants shall be on semi-annual basis based on the unaudited financials of the Issuer to be provided within 90 days from the end of semi-annual period and audited financials to be provided within 120 days from the end of the Financial Year.	
42		b) on consolidated financials of the Issuer: i. Net Debt/Equity shall not exceed 1.50x The above financial covenants to be tested on annual basis based on the audited financials of the Issuer to be provided within 120 days from the end of the Financial Year.	The covenant requires the company to comply with the financial ratio. The company has maintained the said financial ratio as per the covenant. The ratio has been calculated on an annual basis based on the audited financial of the Company.
43		The testing shall be conducted and the same shall be certified by the Issuer within 30 days from the declaration of the abovementioned financials, to the satisfaction of the Debenture Trustee.	**Annual financial results:** The covenant requires the Company to furnish annual financial results to the Debenture Trustee within prescribed timelines, immediately after this is informed to the Stock Exchange. The Company has submitted its audited standalone and consolidated financial results on May 08, 2024 for year ended March 31, 2024. **Quarterly financial results:** The information stated in this covenant was a part of the unaudited financial results for the quarter ended September 30, 2024 and December 31, 2024 was submitted to the Stock Exchange and Debenture Trustee on November 14, 2024 and February 12, 2025 respectively.

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Covenant prescribed in the Information Memorandum (other than those mentioned above) and its compliance status as at and for the half year ended March 31, 2025

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
1	N/A	**OWNERSHIP COVENANT** The Promoters will maintain a minimum shareholding of 35% (based on unencumbered pure equity and fully diluted basis both), in the Issuer and Management Control of the Issuer at all times during the currency of these Debentures.	The Promoters have maintained a minimum shareholding of 35% (based on unencumbered pure equity and fully diluted basis both) and management control at all times during the half year ended March 31, 2025.

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Statement II to the Certificate of Compliance with Covenants for 2,000 (two thousand) unsecured, rated, listed redeemable non-convertible debentures as at and for the half year ended March 31, 2025

List of covenants as prescribed in the Debenture Trust Deed, Information Memorandum and their compliance status as at and for the half year ended March 31, 2025

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
A.	**3**	**COVENANTS TO PAY**	
	3.1	**Covenants to Pay Principal and Interest**	
1	(a)	The Issuer covenants with the Debenture Trustee that the Issuer shall pay to the Debenture Holders, the Redemption Amount on the Redemption Date.	As per Schedule IV to the Debenture Trust Deed, the redemption date for the non-convertible debentures is April 18, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
2	(b)	The Company covenants with the Debenture Trustee that the Company shall pay to the Debenture Holders, interest (for the relevant Interest Period) at the Interest Rate on the relevant Coupon Payment Date. *Provided* that if so called upon by the Debenture Trustee, the Issuer shall make payments as aforesaid to or to the order of or for the account of the Debenture Trustee and such payment shall be deemed to be in satisfaction of the aforesaid covenant of the Issuer to make such payments to the Debenture holder(s) / Beneficial Owner(s). Such payments shall be passed on to the Debenture holder(s) / Beneficial Owner(s).	As per Schedule IV to the Debenture Trust Deed, the coupon payment is due on April 18, 2025. Accordingly, Accordingly, this covenant is not applicable for the half year ended March 31, 2025. Further, no amounts have been called upon by the Debenture Trustee as stated in this covenant. Accordingly, the proviso to this covenant is not applicable as at and for the half year ended March 31, 2025.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
	3.2	**Covenant to pay Obligations**	
3	3.2	The Issuer will, on any date when any of the Obligations become due and payable, unconditionally pay or procure the same to be paid on the due date thereof, in the manner provided in the Transaction Document(s) evidencing such Obligations.	There were no sums due to the Debenture Holders during the half year ended March 31, 2025.
B.	**SCHEDULE I**	**TERMS AND CONDITIONS OF THE DEBENTURES**	
	8	**Payments**	
4	(d)	The Company shall, at all times until the Obligations have been duly discharged, maintain a bank account no. 000551000058 with ICICI Bank Limited, Bund Garden Branch, Pune (bearing IFSC number ICIC0000005) ("**Account Bank**") from which it proposes to pay the redemption amount. The Issuer agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details.	The Company has maintained the Account Bank from which it proposes to pay the Redemption Amount. There has been no change in the Account Bank details as at and during the half year ended March 31, 2025.
	12. a.	**Information Covenants**	
5	1	The Issuer shall furnish to the Debenture Trustee: i. all such information (including rating letter, rating rationale, latest profile of the Issuer etc.) as reasonably requested by the Debenture Trustee for the effective discharge of its duties and obligation in connection to the Debentures under applicable law;	During the half year ended March 31, 2025, the Company has submitted the details of events has occurred as mentioned in this covenant, warranting submission of details to the Debenture Trustee.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		ii. such financial statements as may be requested by the Debenture Trustee under applicable laws;	
6	2	The Issuer shall inform the Debenture Trustee about: i. change in its Director and/ or a change in management control and shall promptly inform the Debenture Trustee of any change in its name, any change in the change in the conduct of its business prior to such change being effected. ii. any Material Adverse Effect in relation to the Issuer (and the steps, if any, being taken to remedy it) promptly upon occurrence of the same. iii. any Environmental or Social Claim current, or to its knowledge, pending or threatened; or iv. any circumstances reasonably likely to result in an Environmental or Social Claim, which (a) has a Material Adverse Effect; or (B) would or, if reported, would adversely impact the credibility of the Issuer, resulting in any loss or an anticipated loss to any Debenture holder. v. Quarterly report from independent chartered accountant, within 21 (twenty one) days from the end of each quarter, certifying: number and nature of grievances received from the Debenture Holders and resolved by the Issuer.	During the half year ended March 31, 2025, there has been no change in the management control, name of the Company or in the conduct of its business. However, during the half year ended March 31, 2025, following changes have occurred on the Board of the Company: a. Mr. Ravi Kapoor was appointed as an Independent Director w.e.f. December 30, 2024; b. Mrs. Rashmi Joshi was appointed as an Independent Director w.e.f. December 30, 2024; Further, with respect to clause 12(2)(1)(ii), (iii), (iv) of the Debenture Trust Deed, no such event has occurred as at and for the half year ended March 31, 2025. Accordingly, these covenants are not applicable as at and for the half year ending March 31, 2025. Since, the Company has not received any grievances from the Debenture Holders during the half year ended March 31, 2025, this covenant is not applicable for the said period.

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BHARAT FORGE LTD. PUNE MUNDHWA

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
7	3	The Issuer shall promptly notify the Trustee and the Debenture Holders in writing about: i. occurrence of an Event of Default or a potential Event of Default and provide any further information with respect thereto as the Debenture Trustee or the Debenture Holders may require. ii. details of all litigation, arbitration or administrative proceedings materially affecting the Issuer. iii. if the Issuer has received notice of any application for winding up having been made or any statutory notice of winding up is given to the Issuer under the Companies Act 2013. iv. any circumstances adversely affecting the financial position of the Issuer, including any action taken by any creditor against the Issuer. v. Any changes to the composition of the board of directors of the Issuer.	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred or is continuing as at and for the half year ended March 31, 2025. Further, no cases of litigation, arbitration or administrative proceedings materially affecting the Issuer. Further, during the half year ended March 31, 2025, the Company has submitted, to the Debenture Trustee, the details of changes made to the composition of the Board of the Company immediately after intimation to the Stock Exchanges.
8	4	The Issuer shall deliver to the Trustee and/or the Debenture Holders: a. Unaudited quarterly and year-to-date standalone and consolidated financial results (accompanied by the limited review report by the statutory auditor of the Issuer), within 45 calendar days from the end of each fiscal quarter; and b. audited consolidated and standalone financial results for the financial year, within 60 (sixty) days from the end of the financial year along with the audit report and statement on impact of audit qualifications, if applicable.	The Company has submitted the quarterly results to the debenture trustee for the quarters ended September 30, 2024 on November 14, 2024, December 31, 2024 on February 12, 2025 respectively. Further, the covenant requires the Company to furnish annual financial results to the Debenture Trustee within prescribed timelines, immediately after this is informed to the Stock Exchange. The Company has submitted its audited standalone and consolidated financial results on May 08, 2024 for year ended March 31, 2024.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
9	5	The Issuer shall, under section 52(4) of SEBI LODR regulations and to the extent required under the debt listing agreement entered into between the Issuer and the Exchange, shall disclose the following information to the stock exchange, along with the annual / quarterly financial results: i. debt-equity ratio; ii. net worth; iii. net profit after tax; and iv. earnings per share. v. current ratio; vi. long term debt to working capital; vii. bad debts to Account receivable ratio; viii. current liability ratio; ix. total debts to total assets; x. debtors turnover xi. inventory turnover; xii. operating margin (%); xiii. net profit margin (%); and xiv. sector specific equivalent ratios, as applicable. xv. outstanding redeemable preference shares (quantity and value).	The information stated in this covenant was a part of the unaudited financial results for the quarter ended September 30, 2024 and December 31, 2024 and was submitted to the Stock Exchange and Debenture Trustee on November 14, 2024 and February 12, 2025 respectively.
10	6	The Issuer shall within 7 days of the relevant Board meeting, submit to the Debenture Trustee a report confirming /certificate confirming the following: a) Updated list of names and addresses of all the Debenture Holder(s) and the number of Debentures held by the Debenture Holder (s)/Beneficial Owner(s);	The Company has submitted the information required in this covenant to the Debenture Trustee for the quarter ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		b) Details of interest due but unpaid, if any, and reasons for the same. c) Details of payment of interest made on the Debentures in the immediately preceding calendar quarter; and d) The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holder(s) during the quarter, resolved/disposed of by the Issuer in the quarter and those remaining unresolved by the Issuer and the reasons for the same.	
11	7	The Issuer shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following:	
12	a)	at the end of each year from the Deemed Date of Allotment, a certificate from the statutory auditors of the Issuer with respect to the use of the proceeds raised through the issue of Debentures. Such certificate shall be provided at the end of each year until the funds are fully utilized;	The Company had utilized the entire proceeds of the issue by the month of May, 2022. The Company had obtained a report for utilization of proceeds from its statutory auditors dated July 15, 2022 and the same was submitted to the Debenture Trustee within prescribed timelines. The unutilized amount as.at and during the half year ended March 31, 2025 is nil. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
13	b)	by no later than 30 (thirty) days from the Deemed Date of Allotment or within such earlier timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Issuer confirming credit of dematerialized Debentures into the depository	The covenant requires the Company to submit the relevant information to debenture trustees. Since, there was no allotment during the half year ended March 31, 2025, this covenant is not applicable.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		accounts of the Debenture Holder(s) within the timelines prescribed under the Applicable Laws;	
14	c)	at the end of every year from the Deemed Date of Allotment, a half-yearly certificate along with half yearly results from the statutory auditor regarding compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results;	The Company has submitted the information required in this covenant to the Debenture Trustee for the quarter ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025.
15	d)	within 15 (fifteen) days from the end of every half year (i.e., April 15 and October 15), submit a statement, to the stock exchange, where Debentures are listed, as well as to the Depository containing data in the format as prescribed in the SEBI NCS Regulations;	This Covenant requires Company to submit details of Non-Convertible Debentures, pursuant to SEBI Operational Circular dated August 10, 2021 (updated as on July 10, 2023) within 15 days from the end of every half year. The same has been submitted by the Company to National Stock Exchange on October 14, 2024. In this regard the Company has received a confirmation from the Debenture Trustee that such delayed submission did not have any negative impact on the rights of Debenture Holders.
16	e)	In case there is any modification in terms or structure of the issue viz. change in terms of payment, change in interest pay-out frequency etc.as specified above, the Issuer shall, forthwith, inform the same to the Depository;	The Company has not made any modification in terms or structure of the issue viz. change in terms of payment, change in interest pay-out frequency etc. during the half year ended March 31, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
17	f)	Issuer shall intimate to the stock exchanges, depositories and debenture trustees the status of	As per Schedule IV to the Debenture Trust Deed, the redemption date for the non-convertible debentures is April 18, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.

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For B S R & Co. LLP

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		payment of debt securities within one working day of payment/ redemption date;	
18	g)	While intimating the status of payment to debenture trustee(s), issuer shall also intimate to debenture trustee(s) that they have informed the status of payment or otherwise to the stock exchanges and depositories;	As per Schedule IV to the Debenture Trust Deed, the redemption date for the non-convertible debentures is April 18, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
19	h)	upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Debenture Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption amount or both, or there is a breach of any covenants, terms or conditions by the Issuer in relation to the Debentures under any Transaction Documents;	The Company obtains credit rating for the non-convertible debentures from ICRA Limited on an annual basis. The Company obtained credit rating on March 12, 2025 wherein the rating agency reaffirmed the credit rating of ICRA AA+ with outlook 'stable'. The said rating is also appearing on the website of ICRA Limited. The same has been also intimated to Stock Exchange and Debenture Trustee on immediate basis. Further, as per Schedule IV to the Debenture Trust Deed, the coupon payment date and the redemption date for the non-convertible debentures is April 18, 2025.
20	i)	intimations regarding all covenants of the issue (including side letters, accelerated payment clause, etc.);	For the half year ended March 31, 2025, this covenant is not applicable.
21	j)	a copy of all notices, resolutions and circulars relating to:	i) During the half year ended March 31, 2025, there was no new issue of non-convertible debt securities; therefore, submission of respective notices, resolutions and circulars was not applicable.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		(i) new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities; (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;	ii) During the half year ended March 31, 2025, no meetings of holders of the non-convertible debentures were held. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
22	k)	Intimation to the Debenture Trustee (along with the stock exchange) if any of the following proposals being placed before the Board, at least 11 (eleven) Working Days in advance: i. any alteration in the form or nature or rights or privileges of the Debentures; ii. any alteration in the due dates on which interest on the Debentures or the Redemption amount is payable; and / or iii. any other matter affecting the rights and interests of the Debenture Holder(s) is proposed to be considered.	During the half year ended March 31, 2025, no such proposals has been placed before the Board. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
23	l)	The Issuer shall promptly inform the Debenture Trustee of any disclosures made to the stock exchange in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which may have a bearing on the Debenture issue;	No such events having a bearing on the Debenture issue have taken place during the half year ended March 31, 2025. However, disclosure on material events were duly submitted to the stock exchanges as well as Debenture Trustee as per Regulation 30 of the SEBI LODR Regulations.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
24	m)	The Issuer shall promptly inform the stock exchange(s) and the Debenture Trustee all information having a bearing on the performance / operation of the Issuer, any price sensitive information or any action that may affect the payment of interest or Redemption of the Debentures in terms of Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015..	No such events having a bearing on performance / operation of the Company have taken place during the half year ended March 31, 2025, that may affect the payment of interest or Redemption of the Debentures in terms of Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
25	n)	Promptly within 1 (one) working day of the interest or principal or both becoming due, the Issuer shall submit a certificate to the stock exchange(s) along with the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website. While intimating the Debenture Trustee, the Issuer shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and Depository.	The coupon payment date and the redemption date for the non-convertible debentures is April 18, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
26	o)	The Issuer shall within 7 (seven) working days from the end of the quarter provide: (a) a certificate confirming the payment of interest / dividend / principal obligations for non-convertible securities which were due in that quarter; and (b) the details of all unpaid interest / dividend / principal obligations in relation to Debentures at the end of the quarter.	The coupon payment date and the redemption date for the non-convertible debentures is April 18, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
27	p)	If default in payment of Debentures is continuing, the Issuer shall inform the Debenture Trustee the updated status of payment latest by the 2nd working day of	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred as at and for the half year ended

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For B S R & Co. LLP

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		April of each financial year, along with the intimation on the updated status of payment to the stock exchange(s) and the Depository. Further, the Issuer / Trustee shall also intimate the development, if any, that impacts the status of default of the Debentures (including restructuring, insolvency proceedings, repayment, etc.) to the stock exchange(s), Depository and Debenture Trustee within 1 (one) working day of such development. The aforementioned intimations shall be submitted until the Obligations are fully discharged or satisfied. The Issuer shall provide an undertaking to the Exchange(s) on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of this Deed and SEBI NCS Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records.	March 31, 2025. Accordingly, this covenant is not applicable as at and for the half year ending March 31, 2025.
28	q)	The Issuer shall promptly inform the Debenture Trustee the following details (if any): (i) corporate debt restructuring, (ii) fraud/defaults by promoter or key managerial personnel or by Issuer or arrest of key managerial personnel or promoter; and / or (iii) reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Issuer.	No such events as specified in the covenant have taken place during the half year ended March 31, 2025.
29	r)	The Issuer shall notify the Debenture Trustee of any Event of Default, potential Event of Default (and the	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred as at and for the half year ended

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<table>
<tr><th>Sr. No.</th><th>Clause no.</th><th>Covenants</th><th>Management comments on the Compliance Status as at and for the half year ended March 31, 2025</th></tr>
<tr><td></td><td></td><td>steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.</td><td>March 31, 2025. Accordingly, this covenant is not applicable as at and for the half year ending March 31, 2025.</td></tr>
<tr><td>30</td><td>s)</td><td>To provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s), the Company shall submit the following reports/ certification within the timelines mentioned below:
<table><tr><th>Reports/ Certificates</th><th>Timelines for submission requirements by Company to Debenture Trustee</th></tr><tr><td>Asset cover certificate</td><td>Half yearly basis within 45 days from end of each half year or within such timelines as prescribed under Applicable Law</td></tr></table></td><td>The words 'Asset cover' has been substituted by the words 'Security Cover' vide SEBI (LODR) (Third Amendment) Regulations, 2022, w.e.f. April 11, 2022.

Therefore, this covenant is not applicable for the half year ended March 31, 2025, which has been also confirmed by the Debenture Trustee.</td></tr>
<tr><td>31</td><td>t)</td><td>The Issuer shall promptly inform the Debenture Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.</td><td>During the half year ended March 31, 2025, there was no change in composition of the Board of the Company, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Further, during the half year ended March 31, 2025, following changes have occurred on the Board of the Company:

a. Mr. Ravi Kapoor was appointed as an Independent Director w.e.f. December 30, 2024;</td></tr>
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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
			b. Mrs. Rashmi Joshi was appointed as an Independent Director w.e.f. December 30, 2024;
32	u)	The Issuer shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer.	No such events as specified in the covenant have taken place during the half year ended March 31, 2025.
33	v)	The Issuer shall supply to the Debenture Trustee a copy of annual report at the same time as it is issued along with a copy of certificate from the Issuer's statutory auditor in respect of utilisation of funds, at the end of each year from the Deemed Date of Allotment, till the time such funds are fully utilized. In case the Debentures are issued for financing working capital or general corporate purposes or for capital raising purposes, copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.	The Company has submitted Annual Report to Debenture Trustee on the same time as it is circulated to its Shareholders and Auditors. The Company had utilized the entire proceeds of the issue by the month of May, 2022. The Company had obtained a report for utilization of proceeds from its statutory auditors dated July 15, 2022 and the same was submitted to the Debenture Trustee within prescribed timelines.
34	w)	The Issuer shall supply to the Debenture Trustee (sufficient copies for all Debenture Holder(s) if the Debenture Trustee so requests): (i) quarterly financial results within forty five (45) days of the end of each quarter, and (ii) the annual audited standalone financial statements for a financial year (along with	**Quarterly un-audited results:** The Company has submitted the quarterly results to the debenture trustee for the quarters ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively.

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BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		documents specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including but not limited to statutory auditors report, directors' annual report, profit and loss accounts and a balance sheet) by no later than 60 (sixty) days from the end of the relevant financial year, in accordance with Applicable Laws.	**Annual (audited) financial statements:** The Company has submitted its audited standalone and consolidated financial statements to Debenture Trustee on May 08, 2024 for the year ended March 31, 2024.
35	x)	In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges: i. the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and ii. final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management, if any.	No such audit has been initiated during the half year ended March 31, 2025. Therefore, this covenant is not applicable.
36	y)	The Issuer shall submit to the Debenture Trustee/stock exchange and the Debenture Holder(s) correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the timelines and procedures specified in	The Company has submitted to the Debenture Trustee correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) as and when requested during the half year ended March 31, 2025.

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For B S R & Co. LLP

KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law.	Further no other information was sought by the stock exchange and Debenture Holders as specified in the SEBI Guidelines, circulars, directives and/or any other Applicable Laws.
37	z)	The Issuer shall furnish the following to the Debenture Trustee: (i) the copy of the annual report (along with documents specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including but not limited to the audited financial statements (i.e., balance sheet, profit and loss accounts etc.), directors' report, auditors report) sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; (ii) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 hours after the annual general meeting; (iii) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e., within 45 (Forty-Five) days from the end of the half year or within such timelines as prescribed under Applicable Law; (iv) a certificate from the statutory auditor or Independent Chartered Accountant of the Issuer with respect to the use of the proceeds raised	(i) The Company has circulated copy of annual report for the financial year ended March 31, 2024 to Debenture Trustee at the same time it was sent to the shareholders i.e. on July 16, 2024. (ii) There was no change in Annual report have taken place during the half year ended March 31, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025. (iii) The Company has submitted the quarterly results to the debenture trustee for the quarters ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively. Further, it has also submitted its audited standalone and consolidated financial statements on May 08, 2024 for year ended March 31, 2024. (iv) the Company had utilized the entire proceeds of the issue by the month of May 2022. The Company had obtained a report for utilization of proceeds from its statutory auditors dated July 15, 2022 and the same was submitted to the Debenture Trustee within prescribed timelines.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses; (v) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence and issue a due diligence certificate in accordance with SEBI NCS Regulations and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and the SEBI Operational Circular.	(v) No due diligence has been carried out by the Debenture Trustee during the half year ended March 31, 2025. Hence, this covenant is not applicable.
38	aa)	The Issuer shall supply to the Debenture Trustee (with sufficient copies for all Debenture Holder(s) if the Debenture Trustee so requests) all documents despatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched.	During the half year ended March 31, 2025, the Company has circulated all documents at the same time as it is shared with the Shareholders and Creditors. The Debenture Trustee has not sought any document from the Company during the half year ended March 31, 2025 apart from the monthly Beneficiary Position, which was duly shared with the Debenture Trustee as and when requested.
39	8	The Issuer shall, to the extent required under the SEBI LODR Regulations, submit all such documents to the stock exchange and to the Trustee.	The covenants requires the Company to submit the relevant documents to Stock exchange and Debenture Trustees. The company has submitted all the documents to stock exchange and Trustees respectively.
C.	12. b.	**Affirmative Covenants**	

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
40	1	The Issuer shall at all times ensure that it is a company duly organized and validly existing under the applicable laws of India and has the right to carry on its business and operations in compliance with applicable law.	The Company has obtained all the necessary approvals and licenses under applicable laws, required to carry on its business and operations in compliance with applicable laws.
41	2	The Issuer shall ensure that the Transaction Documents shall at all times constitute legal, valid, binding obligations of the Issuer enforceable against it in accordance with the Transaction Documents and applicable law.	The Transaction documents at all times constitutes legal, valid, binding obligations of the Issuer enforceable against it in accordance with the Transaction Documents and applicable law.
42	3	The Issuer shall ensure that the execution, delivery and performance by the Issuer of the Transaction Documents and the compliance by it with the terms and provisions therefor do not and will not conflict with or be inconsistent with or result in any breach of the any of the terms, covenants, conditions or provisions of, or constitute a default under any agreements, contract or other instrument to which it is a party or by which it or any of its property or assets including its shareholding in any entity is bound or to which it may be subject.	The Company has not entered into any arrangement, agreement or commitment (including any derivative transaction) with any Person or paid any fees, commissions or other sums on any account whatsoever to any Persons, which will impact the performance of the obligations under the Transaction Documents, other than in the ordinary course of business under Section 188 of the Act which are duly approved by the Board of Directors or as permitted otherwise in the Transaction Documents during the half year ended March 31, 2025.
43	4	The Issuer shall permit any officers or employees of the Debenture Trustee or its representatives (i) to visit and inspect any of its properties, and to discuss with its principal officers matters pertinent to an evaluation of the credit of the Issuer, and (ii) to the fullest extent permitted by law and appropriate regulatory authority to review all books of record and account and any	During the half year ended March 31, 2025, the Company has not received any notice from the Debenture Trustee or its representatives for the purpose of visit and inspection. Therefore, this covenant is not applicable for the half year ended March 31, 2025.

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		available reports or statements relevant thereto, all at such reasonable times and as often as it may reasonably request with prior written notice.	
44	5	The Issuer shall pay, in respect of the Debentures, all stamp duty, Taxes, charges if and when the Issuer may be required to pay in accordance with applicable law.	During the half year ended March 31, 2025, the Company has paid all stamp duty, Taxes and charges, if any as may be required to pay in accordance with applicable law.
45	6	The Issuer shall at all times making all filings, submit all documentation, obtain all registrations and complete all formalities as may be required in connection with the Debentures and Transaction Documents with all relevant regulatory authorities.	During the half year ended March 31, 2025, the Company has obtained all the registrations and completed all the formalities as may be required in connection with the issue of the new Debentures.
46	7	So long as the Debenture Holders continue to hold the Debentures, the Issuer agrees and undertakes to comply with applicable law including all provisions of the Debenture Trustee Regulations as amended from time to time and SEBI NCS Regulations, the Listing Agreement and the Disclosure Document and the Transaction Documents.	During the half year ended March 31, 2025, the Company has complied with all the applicable laws including all provisions of the Debenture Trustee Regulations as amended from time to time and SEBI NCS Regulations, the Listing Agreement and the Disclosure Document and the Transaction Documents.
47	8	The Issuer will obtain and maintain all material governmental approvals and licenses that are required to carry out its business activities pursuant to the applicable laws from time to time and ensure that any such government approvals or licenses are renewed sufficiently in advance of any expiry date (if applicable).	During the half year ended March 31, 2025, the Company was not required to obtain any governmental approvals and licenses. Further, for the purpose of carrying out of business activities, the Company has obtained all the necessary approvals and licenses under applicable laws.

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S R B C & Co. LLP

KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

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48	9	In case the Issuer offers any better terms in financial covenants and rating trigger covenants to any other lenders, the Issuer shall offer the same terms to the Debenture Holders as well.	There is no such case as at and for the half year ended March 31, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
49	10	The Promoter of the Issuer shall, at all times, maintain a minimum shareholding of 35% (thirty five percent) (based on both unencumbered pure equity and fully diluted basis), in the Issuer and shall also maintain Management Control of the Issuer at all times so long as the Debentures and any Obligations remain outstanding.	The Promoters have maintained a minimum shareholding of 35% (based on unencumbered pure equity and fully diluted basis both) and management control at all times during the half year ended March 31, 2025.
C.	**12.c.**	**Financial Covenants**	
50		The Issuer agrees, confirms and undertakes to comply with the following Financial Covenants, at all times till the Final Settlement Date:	
51	1	On standalone financials of the Issuer: a. The ratio of Net Debt / Equity at shall not exceed 0.60x (zero point six times).; b. The ratio of Net Debt / EBITDA shall not exceed 2.00x (two times). c. The ratio of Net Assets / Total Debt shall be greater than 1.20x (one point two times). The testing of the covenants mentioned in sub-clauses a, b, and c above, shall be on a semi-annual basis based on the unaudited financials of the Issuer to be provided within 90 (ninety) days from	The covenant requires the company to comply with the various financial ratio. The company has maintained the said financial ratio as per the covenant. The covenant requires the company to provide financial statements within the prescribed timeline. The company has circulated the unaudited financial statements for semi-annual period within the prescribed period as per the covenant.

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		the end of semi-annual period and audited financials to be provided within 120 (one hundred and twenty) days from the end of the financial year.	
52	2	On consolidated financials of the Issuer: a. The ratio of Net Debt / Equity at shall not exceed 1.50x (one point five times). b. The testing of the covenants mentioned in sub-clause a above, shall be on an annual basis based on the audited financials of the Issuer.	The covenant requires the company to comply with the financial ratio. The company has maintained the said financial ratio as per the covenant. The ratio has been calculated on an annual basis based on the audited financial of the Company.
53	3	The testing of the financial covenants shall be conducted and shall be certified by the Issuer within 30 (thirty) days from the declaration of the relevant financials as mentioned hereinabove, to the satisfaction of the Debenture Trustee.	**Annual financial results:** The covenant requires the Company to furnish annual financial results to the Debenture Trustee within prescribed timelines, immediately after this is informed to the Stock Exchange. The Company has submitted its audited standalone and consolidated financial results on May 08, 2024 for year ended March 31, 2024. **Quarterly financial results:** The information stated in this covenant was a part of the unaudited financial results for the quarter ended September 30, 2024 and December 31, 2024 was submitted to the Stock Exchange and Debenture Trustee on November 14, 2024 and February 12, 2025 respectively.
D.	**12.d.**	**NEGATIVE COVENANTS -** The Issuer shall not undertake any of the following action, without the prior written permission of the Debenture Trustee:	

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
54	1	Initiate the process or voluntarily delist the securities of the Issuer from the relevant stock exchange where the securities of the Issuer are listed.	This covenant is not applicable as at and for the half year ended March 31, 2025.
55	2	Utilize the issue proceeds, directly or indirectly, for any purpose other than the one set out in this Deed.	The Company had utilized the entire proceeds of the issue by the month of May, 2022. The Company had obtained a report for utilization of proceeds from its statutory auditors dated July 15, 2022 and the same was submitted to the Debenture Trustee within prescribed timelines. The unutilized amount as at and during the half year March 31, 2025 is nil. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
56	3	Make any substantial change in the general nature of its business (from what is being carried out as on the date hereof) during the tenor of the Debentures.	The Company has not made any material change in the course of business as at and for the half year ended March 31, 2025.
57	4	As long as any of the Debentures are outstanding, declare any dividend to the shareholders or make or declare any payments to shareholders or Promoters for any financial year, if: (i) an Event of Default or a potential Event of Default has occurred and/or is continuing; (ii) an Event of Default or a potential Event of Default may occur as a result of making such dividend payment.	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred or is continuing as at and for the half year ended March 31, 2025.
58	5	Create mortgage/ charge over its moveable and immovable fixed assets without offering similar security to the Investors of this Issue, except for the	Except for the existing secured borrowings, working capital facilities (existing and future) and right of use assets, the Company has not created

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		existing secured borrowings, working capital facilities (whether existing or future) and right of use (ROU) assets.	any mortgage or charge over its moveable and immoveable fixed assets during the half year ended March 31, 2025.
59	6	Enter into any amalgamation, demerger, merger or reconstruction.	The Company has not entered into any material scheme of amalgamation, demerger, merger or reconstruction during the half year ended March 31, 2025.
60	7	Enter into any financial obligation of a long-term nature which materially and adversely affects the Issuer's financials.	The Company has not entered into any financial obligation or undertaken any financial obligation (other than financial guarantees or financial support provided to its subsidiaries) of a long term nature having a material adverse effect on the financial health of the Company during the half year ended March 31, 2025.
61	8	Amend or modify any of its constitutional documents i.e., memorandum of association and articles of association which are likely to adversely affect Debenture Holders' interest.	The Company has not amended or modified any of its constitutional documents during the half year ended March 31, 2025.

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Statement III to the Certificate of Compliance with Covenants for 12,500 (twelve thousand five hundred) unsecured, rated, listed redeemable non-convertible debentures as at and for the half year ended March 31, 2025

List of covenants as prescribed in the Debenture Trust Deed, Information Memorandum and their compliance status as at and for the half year ended March 31, 2025

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
A.	**3**	**COVENANTS TO PAY**	
	3.1	**Covenants to Pay Principal and Interest**	
1	(a)	The Issuer covenants with the Debenture Trustee that the Issuer shall pay to the Debenture Holders, the Redemption Amount on the Redemption Date.	As per Schedule IV to the Debenture Trust Deed, the redemption date for the non-convertible debentures is March 20, 2027. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
2	(b)	The Company covenants with the Debenture Trustee that the Company shall pay to the Debenture Holders, interest (for the relevant Interest Period) at the Interest Rate on the relevant Coupon Payment Date.	As per Schedule IV to the Debenture Trust Deed, no coupon payments were due during half year ended March 31, 2025. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
	3.2	**Covenant to pay Obligations**	
3	3.2	The Issuer will, on any date when any of the Obligations become due and payable, unconditionally pay or procure the same to be paid on the due date thereof, in the manner provided in the Transaction Document(s) evidencing such Obligations. *Provided* that if so called upon by the Debenture Trustee, the Issuer shall make payments as aforesaid to or to the order of or for the account of the Debenture Trustee and such payment shall be deemed to be in	There were no sums due to the Debenture Holders during the half year ended March 31, 2025. Further, no amounts have been called upon by the Debenture Trustee as stated in this covenant. Accordingly, the proviso to this covenant is not applicable as at and for the half year ended March 31, 2025.

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		satisfaction of the aforesaid covenant of the Issuer to make such payments to the Debenture holder. Such payments shall be passed on to the Debenture holder.	
B.	**SCHEDULE I**	**TERMS AND CONDITIONS OF THE DEBENTURES**	
	8	**Payments**	
4	(d)	The Company shall, at all times until the Obligations have been duly discharged, maintain a bank account no. 000551000058 with ICICI Bank Limited, Bund Garden Branch, Pune (bearing IFSC number ICIC0000005) ("**Account Bank**") from which it proposes to pay the redemption amount. The Issuer agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details.	The Company has maintained the Account Bank from which it proposes to pay the Redemption Amount. There have been no change in the Account Bank details as at and during the half year ended March 31, 2025.
	12. a.	**Information Covenants**	
5	1	The Issuer shall furnish to the Debenture Trustee: i. all such information (including rating letter, rating rationale, latest profile of the Issuer etc.) as reasonably requested by the Debenture Trustee for the effective discharge of its duties and obligation in connection to the Debentures under applicable law; ii. such financial statements as may be requested by the Debenture Trustee under applicable laws;	During the half year ended March 31, 2025, the Company has submitted the details of events has occurred as mentioned in this covenant, warranting submission of details to the Debenture Trustee.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
6	2	The Issuer shall inform the Debenture Trustee about: i. change in its Director and/ or a change in management control and shall promptly inform the Debenture Trustee of any change in its name, any change in the change in the conduct of its business prior to such change being effected. ii. any Material Adverse Effect in relation to the Issuer (and the steps, if any, being taken to remedy it) promptly upon occurrence of the same. iii. any Environmental or Social Claim current, or to its knowledge, pending or threatened; or iv. any circumstances reasonably likely to result in an Environmental or Social Claim, which (a) has a Material Adverse Effect; or (B) would or, if reported, would adversely impact the credibility of the Issuer, resulting in any loss or an anticipated loss to any Debenture holder. v. Quarterly report from independent chartered accountant, within 21 (twenty one) days from the end of each quarter, certifying: number and nature of grievances received from the Debenture Holders and resolved by the Issuer.	During the half year ended March 31, 2025, there has been no change in the management control, name of the Company or in the conduct of its business. However, during the half year ended March 31, 2025, following changes have occurred on the Board of the Company: a. Mr. Ravi Kapoor was appointed as an Independent Director w.e.f. December 30, 2024; b. Mrs. Rashmi Joshi was appointed as an Independent Director w.e.f. December 30, 2024; Further, with respect to clause 12(2)(1)(ii), (iii), (iv) of the Debenture Trust Deed, no such event has occurred as at and for the half year ended March 31, 2025. Accordingly, these covenants are not applicable as at and for the half year ending March 31, 2025. Since, the Company has not received any grievances from the Debenture Holders during the half year ended March 31, 2025, this covenant is not applicable for the said period.
7	3	The Issuer shall promptly notify the Trustee and the Debenture Holders in writing about: i. occurrence of an Event of Default or a potential Event of Default and provide any further information with respect thereto as the Debenture Trustee or the Debenture Holders may require.	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred or is continuing as at and for the half year ended March 31, 2025. Further, no cases of litigation, arbitration or administrative proceedings materially affecting the Issuer. Further, during the year ended March 31, 2025, the Company has submitted, to the Debenture Trustee, the details of changes made to the

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For B S R & Co. LLP

KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		ii. details of all litigation, arbitration or administrative proceedings materially affecting the Issuer. iii. if the Issuer has received notice of any application for winding up having been made or any statutory notice of winding up is given to the Issuer under the Companies Act 2013. iv. any circumstances adversely affecting the financial position of the Issuer, including any action taken by any creditor against the Issuer. v. Any changes to the composition of the board of directors of the Issuer.	composition of the Board of the Company immediately after intimation to the Stock Exchanges.
8	4	The Issuer shall deliver to the Trustee and/or the Debenture Holders: a. Unaudited quarterly and year-to-date standalone and consolidated financial results (accompanied by the limited review report by the statutory auditor of the Issuer), within 45 calendar days from the end of each fiscal quarter; and b. audited consolidated and standalone financial results for the financial year, within 60 (sixty) days from the end of the financial year along with the audit report and statement on impact of audit qualifications, if applicable.	The Company has submitted the quarterly results to the debenture trustee for the quarters ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively. Further, the covenant requires the Company to furnish annual financial results to the Debenture Trustee within prescribed timelines, immediately after this is informed to the Stock Exchange. The Company has submitted its audited standalone and consolidated financial results on May 08, 2024 for year ended March 31, 2024.
9	5	The Issuer shall, under section 52(4) of SEBI LODR regulations and to the extent required under the debt listing agreement entered into between the Issuer and the Exchange, shall disclose the following information	The information stated in this covenant was a part of the unaudited financial results for the quarter ended September 30, 2024 and December 31, 2024 and was submitted to the Stock Exchange and Debenture Trustee on November 14, 2024 and February 12, 2025 respectively.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		to the stock exchange, along with the annual / quarterly financial results: i. debt-equity ratio; ii. net worth; iii. net profit after tax; and iv. earnings per share. v. current ratio; vi. long term debt to working capital; vii. bad debts to Account receivable ratio; viii. current liability ratio; ix. total debts to total assets; x. debtors turnover xi. inventory turnover; xii. operating margin (%); xiii. net profit margin (%); and xiv. sector specific equivalent ratios, as applicable. xv. outstanding redeemable preference shares (quantity and value).	
10	6	The Issuer shall within 45 days of the respective quarter or within 7 days of the relevant Board meeting whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the following: a) Updated list of names and addresses of all the Debenture Holder(s) and the number of Debentures held by the Debenture Holder (s)/Beneficial Owner(s); b) Details of interest due but unpaid, if any, and reasons for the same.	The Company has submitted the information required in this covenant to the Debenture Trustee for the quarter ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025.

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		c) Details of payment of interest made on the Debentures in the immediately preceding calendar quarter; and d) The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holder(s) during the quarter, resolved/disposed of by the Issuer in the quarter and those remaining unresolved by the Issuer and the reasons for the same.	
11	7	The Issuer shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following:	
12	a)	at the end of each year from the Deemed Date of Allotment, a certificate from the statutory auditors of the Issuer with respect to the use of the proceeds raised through the issue of Debentures. Such certificate shall be provided at the end of each year until the funds are fully utilized;	The Company had utilized the entire proceeds of the issue on June 18, 2024. The Company had obtained a report for utilization of proceeds from a Chartered Accountant dated June 18, 2024 and the same was submitted to the Debenture Trustee within prescribed timelines. The unutilized amount as at and during the half year ended March 31, 2025 is nil.
13	b)	at the end of every year from the Deemed Date of Allotment, a half-yearly certificate along with half yearly results from the statutory auditor regarding compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results;	The Company has submitted the information required in this covenant to the Debenture Trustee for the quarter ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025.

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For B S R & Co. LLP

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
14	c)	on quarterly basis submit to Debenture Trustee a certificate by its statutory auditor regarding compliance with the financial covenants in relation to the Debentures	Complied. As per the terms of the Trust deed and pursuant to the provisions of Regulation 54 read with Regulation 56(1)(d) of SEBI (LODR) Regulations, 2015, the Company has obtained Certificate from the Statutory Auditor for the half year ended September 30, 2024 on November 14, 2024 w.r.t. Compliance with all the covenants. The said certificate is also submitted to Debenture trustee on November 14, 2024.
15	d)	within 15 (fifteen) days from the end of every half year (i.e., April 15 and October 15), submit a statement, to the stock exchange, where Debentures are listed, as well as to the Depository containing data in the format as prescribed in the SEBI NCS Regulations;	This Covenant requires Company to submit details of Non-Convertible Debentures, pursuant to SEBI Operational Circular dated August 10, 2021 (updated as on April 13, 2022) within 15 days from the end of every half year. The same has been submitted by the Company to National Stock Exchange on October 14, 2024.
16	e)	In case there is any modification in terms or structure of the issue viz. change in terms of payment, change in interest pay-out frequency etc.as specified above, the Issuer shall, forthwith, inform the same to the Depository;	The Company has not made any modification in terms or structure of the issue viz. change in terms of payment, change in interest pay-out frequency etc. during the half year ended March 31, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
17	f)	Issuer shall intimate to the stock exchanges, depositories and debenture trustees the status of payment of debt securities within one working day of payment/ redemption date;	As per Schedule IV to the Debenture Trust Deed, the redemption date for the non-convertible debentures is March 20, 2027. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.
18	g)	While intimating the status of payment to debenture trustee(s), issuer shall also intimate to debenture trustee(s) that they have informed the status of	As per Schedule IV to the Debenture Trust Deed, the redemption date for the non-convertible debentures is March 20, 2027. Accordingly, this covenant is not applicable for the half year ended March 31, 2025.

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For BSR & Co. LLP

BHARAT FORGE MUNDHWA

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		payment or otherwise to the stock exchanges and depositories;	
19	h)	upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Debenture Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption amount or both, or there is a breach of any covenants, terms or conditions by the Issuer in relation to the Debentures under any Transaction Documents;	The Company obtains credit rating for the non-convertible debentures from ICRA Limited on an annual basis. The Company obtained credit rating on March 12, 2025 wherein the rating agency reaffirmed the credit rating of ICRA AA+ with outlook 'stable'. The said rating is also appearing on the website of ICRA Limited. The same has been also intimated to Stock Exchange and Debenture Trustee on immediate basis. Further, as per Schedule IV to the Debenture Trust Deed, the first coupon payment date was due on March 20, 2025 which was duly complied. The redemption date for the non-convertible debentures is March 20, 2027.
20	i)	intimations regarding all covenants of the issue (including side letters, accelerated payment clause, etc.);	For the half year ended March 31, 2025, this covenant is not applicable.
21	j)	a copy of all notices, resolutions and circulars relating to: (i) new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities; (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;	i) During the half year ended March 31, 2025, there was no new issue of non-convertible debt securities; therefore, submission of respective notices, resolutions and circulars was not applicable. ii) During the half year ended March 31, 2025, no meetings of holders of the non-convertible debentures were held. Therefore, this covenant is not applicable for the half year ended March 31, 2025.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
22	k)	Intimation to the Debenture Trustee (along with the stock exchange) if any of the following proposals being placed before the Board, at least 11 (eleven) Working Days in advance: i. any alteration in the form or nature or rights or privileges of the Debentures; ii. any alteration in the due dates on which interest on the Debentures or the Redemption amount is payable; and / or iii. any other matter affecting the rights and interests of the Debenture Holder(s) is proposed to be considered.	During the half year ended March 31, 2025, no such proposals has been placed before the Board. Therefore, this covenant is not applicable for the half year ended March 31, 2025.
23	l)	The Issuer shall promptly inform the Debenture Trustee of any disclosures made to the stock exchange in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which may have a bearing on the Debenture issue;	No such events having a bearing on the Debenture issue have taken place during the half year ended March 31, 2025. However, disclosure on material events were duly submitted to the stock exchanges as well Debenture Trustee as per Regulation 30 of the SEBI LODR Regulations.
25	m)	The Issuer shall promptly inform the stock exchange(s) and the Debenture Trustee all information having a bearing on the performance / operation of the Issuer, any price sensitive information or any action that may affect the payment of interest or Redemption of the Debentures in terms of Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	No such events having a bearing on performance / operation of the Company have taken place during the half year ended March 31, 2025, that may affect the payment of interest or Redemption of the Debentures in terms of Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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For B S R & Co. LLP

KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
25	n)	Promptly within 1 (one) working day of the interest or principal or both becoming due, the Issuer shall submit a certificate to the stock exchange(s) along with the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website. While intimating the Debenture Trustee, the Issuer shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and Depository.	The payment of interest was due on March 20, 2025 which was duly complied and intimated to the Stock exchange and Debenture Trustees on March 20, 2025.
26	o)	The Issuer shall within 7 (seven) working days from the end of the quarter provide: (a) a certificate confirming the payment of interest / dividend / principal obligations for non-convertible securities which were due in that quarter; and (b) the details of all unpaid interest / dividend / principal obligations in relation to Debentures at the end of the quarter.	The payment of interest was due on March 20, 2025. The company has complied with this covenant.
27	p)	If default in payment of Debentures is continuing, the Issuer shall inform the Debenture Trustee the updated status of payment latest by the 2nd working day of April of each financial year, along with the intimation on the updated status of payment to the stock exchange(s) and the Depository. Further, the Issuer / Trustee shall also intimate the development, if any, that impacts the status of default of the Debentures (including restructuring, insolvency proceedings, repayment, etc.) to the stock exchange(s), Depository and Debenture Trustee within 1 (one) working day of	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred as at and for the half year ended March 31, 2025. Accordingly, this covenant is not applicable as at and for the half year ending March 31, 2025.

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BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		such development. The aforementioned intimations shall be submitted until the Obligations are fully discharged or satisfied. The Issuer shall provide an undertaking to the Exchange(s) on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of this Deed and SEBI NCS Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records.	
28	q)	The Issuer shall promptly inform the Debenture Trustee the following details (if any): (i) corporate debt restructuring, (ii) fraud/defaults by promoter or key managerial personnel or by Issuer or arrest of key managerial personnel or promoter; and / or (iii) reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Issuer.	No such events as specified in the covenant have taken place during the half year ended March 31, 2025.
29	r)	The Issuer shall notify the Debenture Trustee of any Event of Default, potential Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred as at and for the half year ended March 31, 2025. Accordingly, this covenant is not applicable as at and for the half year ending March 31, 2025.
30	s)	The Issuer shall promptly inform the Debenture Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.	During the half year ended March 31, 2025, there was no change in composition of the Board of the Company, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
31	t)	The Issuer shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer.	No such events as specified in the covenant have taken place during the half year ended March 31, 2025.
32	u)	The Issuer shall supply to the Debenture Trustee a copy of annual report at the same time as it is issued along with a copy of certificate from the Issuer's statutory auditor in respect of utilisation of funds, at the end of each year from the Deemed Date of Allotment, till the time such funds are fully utilized. In case the Debentures are issued for financing working capital or general corporate purposes or for capital raising purposes, copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.	The Company has submitted Annual Report to Debenture Trustee on the same time as it is circulated to its Shareholders and Auditors. The Company had utilized the entire proceeds of the issue on June 18, 2024. The Company had obtained a report for utilization of proceeds from a Chartered Accountant dated June 18, 2024 and the same was submitted to the Debenture Trustee within prescribed timelines. The unutilized amount as at and during the half year ended March 31, 2025 is nil.
33	v)	The Issuer shall supply to the Debenture Trustee (sufficient copies for all Debenture Holder(s) if the Debenture Trustee so requests): (i) quarterly financial results within forty five (45) days of the end of each quarter, and (ii) the annual audited standalone financial statements for a financial year (along with documents specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including but not	**Quarterly un-audited results:** The Company has submitted the quarterly results to the debenture trustee for the quarters ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively. **Annual (audited) financial statements:** The Company has submitted its audited standalone and consolidated financial statements to Debenture Trustee on May 08, 2024 for the year ended March 31, 2024.

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For B S R & Co. LLP

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		limited to statutory auditors report, directors' annual report, profit and loss accounts and a balance sheet) by no later than 60 (sixty) days from the end of the relevant financial year, in accordance with Applicable Laws.	
34	w)	In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges: i. the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and ii. final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management, if any.	No such audit has been initiated during the half year ended March 31, 2025. Therefore, this covenant is not applicable.
35	x)	The Issuer shall submit to the Debenture Trustee/stock exchange and the Debenture Holder(s) correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the timelines and procedures specified in the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law.	The Company has submitted to the Debenture Trustee correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) as and when requested during the half year ended March 31, 2025. Further no other information was sought by the stock exchange and Debenture Holders as specified in the SEBI Guidelines, circulars, directives and/or any other Applicable Laws.

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For B S R & Co. LLP

BHARAT FORGE LTD. MUNDHWA

Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
36	y)	The Issuer shall furnish the following to the Debenture Trustee: (i) the copy of the annual report (along with documents specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including but not limited to the audited financial statements (i.e., balance sheet, profit and loss accounts etc.), directors' report, auditors report) sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; (ii) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 hours after the annual general meeting; (iii) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e., within 45 (Forty-Five) days from the end of the half year or within such timelines as prescribed under Applicable Law; (iv) a certificate from the statutory auditor or Independent Chartered Accountant of the Issuer with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses;	(i) The Company has circulated copy of annual report for the financial year ended March 31, 2024 to Debenture Trustee at the same time it was sent to the shareholders i.e. on July 16, 2024. (ii) There was no change in Annual report have taken place during the half year ended March 31, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025. (iii) The Company has submitted the quarterly results to the debenture trustee for the quarters ended September 30, 2024 on November 14, 2024 and December 31, 2024 on February 12, 2025 respectively. Further, it has also submitted its audited standalone and consolidated financial statements on May 08, 2024 for year ended March 31, 2024. (iv) The Company had utilized the entire proceeds of the issue on June 18, 2024. The Company had obtained a report for utilization of proceeds from a Chartered Accountant dated June 18, 2024 and the same was submitted to the Debenture Trustee within prescribed timelines. (v) No due diligence has been carried out by the Debenture Trustee during the half year ended March 31, 2025. Hence, this covenant is not applicable.

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Sr. No.	Clause no.	Covenants	Management comments on the Compliance Status as at and for the half year ended March 31, 2025
		(v) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence and issue a due diligence certificate in accordance with SEBI NCS Regulations and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and the SEBI Operational Circular.	
37	z)	The Issuer shall supply to the Debenture Trustee (with sufficient copies for all Debenture Holder(s) if the Debenture Trustee so requests) all documents despatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched.	During the half year ended March 31, 2025, the Company has circulated all documents at the same time as it is shared with the Shareholders and Creditors. The Debenture Trustee has not sought any document from the Company during the half year ended March 31, 2025 apart from the monthly Beneficiary Position, which was duly shared with the Debenture Trustee as and when requested.
38	8	The Issuer shall, to the extent required under the SEBI LODR Regulations, submit all such documents to the stock exchange and to the Trustee.	The covenants requires the Company to submit the relevant documents to Stock exchange and Debenture Trustees. The company has submitted all the documents to stock exchange and Trustees respectively.

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C.	12. b.	Affirmative Covenants	
39	1	The Issuer shall at all times ensure that it is a company duly organized and validly existing under the applicable laws of India and has the right to carry on its business and operations in compliance with applicable law.	The Company has obtained all the necessary approvals and licenses under applicable laws, required to carry on its business and operations in compliance with applicable laws.
40	2	The Issuer shall ensure that the Transaction Documents shall at all times constitute legal, valid, binding obligations of the Issuer enforceable against it in accordance with the Transaction Documents and applicable law.	The Transaction documents at all times constitutes legal, valid, binding obligations of the Issuer enforceable against it in accordance with the Transaction Documents and applicable law.
41	3	The Issuer shall ensure that the execution, delivery and performance by the Issuer of the Transaction Documents and the compliance by it with the terms and provisions therefor do not and will not conflict with or be inconsistent with or result in any breach of the any of the terms, covenants, conditions or provisions of, or constitute a default under any agreements, contract or other instrument to which it is a party or by which it or any of its property or assets including its shareholding in any entity is bound or to which it may be subject.	The Company has not entered into any arrangement, agreement or commitment (including any derivative transaction) with any Person or paid any fees, commissions or other sums on any account whatsoever to any Persons, which will impact the performance of the obligations under the Transaction Documents, other than in the ordinary course of business under Section 188 of the Act which are duly approved by the Board of Directors or as permitted otherwise in the Transaction Documents during the half year ended March 31, 2025.
42	4	The Issuer shall permit any officers or employees of the Debenture Trustee or its representatives (i) to visit and inspect any of its properties, and to discuss with its principal officers matters pertinent to an evaluation of the credit of the Issuer, and (ii) to the fullest extent permitted by law and appropriate regulatory authority to review all books of record and account and any available reports or statements relevant thereto, all at	During the half year ended March 31, 2025, the Company has not received any notice from the Debenture Trustee or its representatives for the purpose of visit and inspection. Therefore, this covenant is not applicable for the half year ended March 31, 2025.

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BY

For B S R & Co. LLP

KALYANI
BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

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		such reasonable times and as often as it may reasonably request with prior written notice.	
43	5	The Issuer shall pay, in respect of the Debentures, all stamp duty, Taxes, charges if and when the Issuer may be required to pay in accordance with applicable law.	During the half year ended March 31, 2025, the Company has paid all stamp duty, Taxes and charges, if any as may be required to pay in accordance with applicable law.
44	6	The Issuer shall at all times making all filings, submit all documentation, obtain all registrations and complete all formalities as may be required in connection with the Debentures and Transaction Documents with all relevant regulatory authorities.	During the half year ended March 31, 2025, the Company has obtained all the registrations and completed all the formalities as may be required in connection with the issue of the new Debentures.
45	7	So long as the Debenture Holders continue to hold the Debentures, the Issuer agrees and undertakes to comply with applicable law including all provisions of the Debenture Trustee Regulations as amended from time to time and SEBI NCS Regulations, the Listing Agreement and the Disclosure Document and the Transaction Documents.	During the half year ended March 31, 2025, the Company has complied with all the applicable laws including all provisions of the Debenture Trustee Regulations as amended from time to time and SEBI NCS Regulations, the Listing Agreement and the Disclosure Document and the Transaction Documents.
46	8	The Issuer will obtain and maintain all material governmental approvals and licenses that are required to carry out its business activities pursuant to the applicable laws from time to time and ensure that any such government approvals or licenses are renewed sufficiently in advance of any expiry date (if applicable).	During the half year ended March 31, 2025, the Company was not required to obtain any governmental approvals and licenses. Further, for the purpose of carrying out of business activities, the Company has obtained all the necessary approvals and licenses under applicable laws.
47	9	In case the Issuer offers any better terms in financial covenants and rating trigger covenants to any other lenders, the Issuer shall offer the same terms to the Debenture Holders as well.	There is no such case as at and for the half year ended March 31, 2025. Therefore, this covenant is not applicable for the half year ended March 31, 2025.

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48	10	The Promoter of the Issuer shall, at all times, maintain a minimum shareholding of 35% (thirty five percent) (based on both unencumbered pure equity and fully diluted basis), in the Issuer and shall also maintain Management Control of the Issuer at all times so long as the Debentures and any Obligations remain outstanding.	The Promoters have maintained a minimum shareholding of 35% (based on unencumbered pure equity and fully diluted basis both) and management control at all times during the half year ended March 31, 2025.
C.	**12.c.**	**Financial Covenants**	
49		The Issuer agrees, confirms and undertakes to comply with the following Financial Covenants, at all times till the Final Settlement Date:	
50	1	On standalone financials of the Issuer: a. The ratio of Net Debt / Equity at shall not exceed 0.60x (zero point six times).; b. The ratio of Net Debt / EBITDA shall not exceed 2.00x (two times). c. The ratio of Net Assets / Total Debt shall be greater than 1.20x (one point two times). The testing of the covenants mentioned in sub-clauses a, b, and c above, shall be on a semi-annual basis based on the unaudited financials of the Issuer to be provided within 90 (ninety) days from the end of semi-annual period and audited financials to be provided within 120 (one hundred and twenty) days from the end of the financial year.	The covenant requires the company to comply with the various financial ratio. The company has maintained the said financial ratio as per the covenant. The covenant requires the company to provide financial statements within the prescribed timeline. The company has circulated the unaudited financial statements for semi-annual period within the prescribed period as per the covenant.
51	2	On consolidated financials of the Issuer: a. The ratio of Net Debt / Equity at shall not exceed 1.50x (one point five times). b. The testing of the covenants mentioned in sub-clause a above, shall be on an annual	The covenant requires the company to test the financial covenants for consolidated financials on annual basis.. The Company has maintained the said financial ratio as per the covenant. The ratio has been calculated on an annual basis based on the audited financial of the Company.

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		basis based on the audited financials of the Issuer.	
52	3	The testing of the financial covenants shall be conducted and shall be certified by the Issuer within 30 (thirty) days from the declaration of the relevant financials as mentioned hereinabove, to the satisfaction of the Debenture Trustee.	**Annual financial results:** The covenant requires the Company to furnish annual financial results to the Debenture Trustee within prescribed timelines, immediately after this is informed to the Stock Exchange. The Company has submitted its audited standalone and consolidated financial results on May 08, 2024 for year ended March 31, 2024. **Quarterly financial results:** The information stated in this covenant was a part of the unaudited financial results for the quarter ended September 30, 2024 and December 31, 2024 was submitted to the Stock Exchange and Debenture Trustee on November 14, 2024 and February 12, 2025 respectively.
D.	**12.d.**	**NEGATIVE COVENANTS** - The Issuer shall not undertake any of the following action, without the prior written permission of the Debenture Trustee:	
53	1	Initiate the process or voluntarily delist the securities of the Issuer from the relevant stock exchange where the securities of the Issuer are listed.	This covenant is not applicable as at and for the half year ended March 31, 2025.
54	2	Utilize the issue proceeds, directly or indirectly, for any purpose other than the one set out in this Deed.	The Company had utilized the entire proceeds of the issue on June 18, 2024. The Company had obtained a report for utilization of proceeds from a Chartered Accountant dated June 18, 2024 and the same was submitted to the Debenture Trustee within prescribed timelines.

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55	3	Make any substantial change in the general nature of its business (from what is being carried out as on the date hereof) during the tenor of the Debentures.	The Company has not made any material change in the course of business as at and for the half year ended March 31, 2025.
56	4	As long as any of the Debentures are outstanding, declare any dividend to the shareholders or make or declare any payments to shareholders or Promoters for any financial year, if: (i) an Event of Default or a potential Event of Default has occurred and/or is continuing; (ii) an Event of Default or a potential Event of Default may occur as a result of making such dividend payment.	No event of default or potential event of default as defined in clause 13 of the Debenture Trust Deed, has occurred or is continuing as at and for the half year ended March 31, 2025.
57	5	Create mortgage/ charge over its moveable and immovable fixed assets without offering similar security to the Investors of this Issue, except for the existing secured borrowings, working capital facilities (whether existing or future) and right of use (ROU) assets.	Except for the existing secured borrowings, working capital facilities (existing and future) and right of use assets, the Company has not created any mortgage or charge over its moveable and immoveable fixed assets during the half year ended March 31, 2025.
58	6	Enter into any amalgamation, demerger, merger or reconstruction.	The Company has not entered into any material scheme of amalgamation, demerger, merger or reconstruction during the half year ended March 31, 2025.
59	7	Enter into any financial obligation of a long-term nature which materially and adversely affects the Issuer's financials.	The Company has not entered into any financial obligation or undertaken any financial obligation (other than financial guarantees or financial support provided to its subsidiaries) of a long term nature having a material adverse effect on the financial health of the Company during the half year ended March 31, 2025.

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60	8	Amend or modify any of its constitutional documents i.e., memorandum of association and articles of association which are likely to adversely affect Debenture Holders' interest.	The Company has not amended or modified any of its constitutional documents during the half year ended March 31, 2025.

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BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2777 (Secretarial) Fax 020 2682 2163 CIN L25209PN1961PLC012046
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com

Report of factual findings in connection with agreed-upon procedures on the manner of utilization of the funds as required by the Regulation 15(1A)(c) of Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2017, as amended from time to time, Information Memorandum and Debenture Trust Deed

To,

The Board of Directors
Bharat Forge Limited
Mundhwa,
Pune – 411036

1. This Report is issued in accordance with the terms of the engagement letter dated July 04, 2022 ("the Agreement") with Bharat Forge Limited ("the Company").

2. We, S R B C & CO LLP Chartered Accountants, the statutory auditors of the Company have been requested by the Company to perform the procedures as enumerated in paragraph 5 below with respect to the manner of utilization of the funds as required by the Regulation 15(1A)(c) of Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2017, as amended from time to time ("the Regulations") (hereinafter referred together as "the Annexure 1") pursuant to the Information Memorandum dated April 13, 2022 ("IM") and Debenture Trust Deed dated April 19, 2022 ("DTD") in relation to issue by way of private placement by Bharat Forge Limited ("Bharat Forge" or "the Company") of 2,000 rated listed unsecured redeemable non-convertible debentures ("NCDs") each of the face value of INR 1,000,000 for cash aggregating to INR 2,000,000,000, prepared by the management of the Company and initialed by us for identification purposes. The said Report is required to be submitted to Axis Trustee Services Limited pursuant to the requirements of the IM, DTD and Regulations mentioned above.

3. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400 "Engagements to Perform Agreed-upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India. The sufficiency of these procedures is solely the responsibility of the parties specified in this Report. Consequently, we make no representation regarding the sufficiency of the procedures described in paragraph 5 below, either for the purpose for which this Report has been requested, or for any other purpose. The Report is to be used by the management of the Company for confirming the end use of the proceeds of the NCDs in accordance with the IM, DTD and Regulations mentioned above.

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

5. Pursuant to the terms of our Agreement, we performed the following procedures:

   a) Obtained a copy of the IM and DTD from the management and read the terms relating to the end use of the funds;

   b) Obtained bank statements from the management and understood the manner of utilization of funds through specified bank accounts of the Company detailed in Table I and Table II of Annexure 1 based on the nature of payments to various creditors on a sample basis, using professional judgment;

   c) Obtained from the management the details of utilization of the proceeds of NCDs duly certified by the Associate Vice President - Finance and the Company Secretary of the Company in the format as disclosed in Table I and Table II of Annexure I and inquired the basis of compilation of the said details;

d) Obtained from the management the underlying detailed back up working for the end use of the proceeds of the NCDs and checked the arithmetical accuracy of the supplier-wise summary prepared on the basis of such information.

e) Traced on a test check basis, using professional judgment, the details of the underlying information used for preparation of information as disclosed in Table II of Annexure I mentioned above against the supporting invoices, purchase orders, scheduling agreements, bank statements / advices, etc. ("the relevant underlying documents"). The samples tested by us are given in Annexure II and the management is responsible for providing us with details of such samples;

f) Inquired with the management on a sample basis, using professional judgment, the nature of payments made as mentioned in Table II of Annexure I to understand whether these are in line with the purpose as mentioned in the IM and DTD. We have also obtained the underlying documents on a sample basis as given in Annexure II to confirm the nature payment for such samples as mentioned by the management;

g) Tested the arithmetical accuracy of the column pertaining to amount paid in Table I and Table II of Annexure I to confirm that the total payment amounts to INR 2,000,000,000.

6. Because the procedures performed by us do not constitute either an audit or a review made in accordance with generally accepted auditing standards in India, we do not express any assurance on Table I and Table II of Annexure I as provided by the management. We have not performed any other procedures apart from those mentioned in paragraph 5 above. Also, we did not perform any tests to ensure correctness of the details furnished in respect of the various documents provided by the management. Such information is solely the responsibility of the management of the Company. We have relied solely on management's representations in relation to those matters. Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with generally accepted auditing standards in India, other matters might have come to our attention that would have been Reported to you.

Factual Findings

7. We report our findings below;

a) In relation to paragraph 5 (a) we noted that as per the IM and the DTD the issue proceeds can be utilized for bona-fide business purposes, namely:

   i. capital expenditure and payment of creditors or/and;
   ii. research and development expenses or/and
   iii. long term funding needs of the Company

b) In relation to paragraph 5 (b) and 5 (c) we noted that the proceeds from NCDs were drawn down into a separate bank account and were transferred to a specific bank account of the Company.

c) In relation to paragraph 5 (d) we noted that the details as mentioned in Table II of Annexure I are summarized accurately supplier-wise, based on the relevant underlying documents and the end use is in line with the purpose as mentioned in the IM and DTD.

d) In relation to paragraph 5 (e) we noted that the details as mentioned in Annexure II representing samples tested by us, using professional judgment, are traced to the relevant underlying documents and the end use is in line with the purpose as understood by us in paragraph 7 (a) above.

e) In relation to paragraph 5 (f) and (g) we have obtained the necessary representations and explanations from the management and tested arithmetical accuracy of Table I and Table II of Annexure I and no discrepancies were noted.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *
SRBC

Restriction on Use

8. This Report has been issued at the request of the Company, solely for the purpose as set forth in paragraph 2 of this Report. It should not be used by any other person or distributed to any other parties. This Report relates only to the accounts and items specified above and does not extend to any financial statements of the Company, taken as a whole. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Report is shown.

Other Matter

9. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

HSGinwala
per Huzefa Ginwala
Partner
Membership Number: 111757
UDIN: 22111757AMYMKE2175

S R B C & CO LLP * CHARTERED ACCOUNTANTS * SRBC

Place of Signature: Pune
Date: July 15, 2022

BHARAT FORGE

Annexure I - Statement of utilization of proceeds from issuance of 2,000 rated listed unsecured redeemable non-convertible debentures ("NCDs")

Table-I

Summary of amount drawn down from separate designated bank (ICICI Bank - Account No. 000505022059) to other specific bank account for further payments:

(Amount in INR)

Sr. No.	Name of the Bank	Amount Transferred
1	ICICI Bank Limited ("ICICI Bank")	2,00,00,00,000
	Total	**2,00,00,00,000**

Table-II

Supplier-wise summary of payments made out of the amount drawn:

(Amount in INR)

Sr No	Name of Supplier	Payment Bank	Amount paid
1	Saarloha Advanced Materials Private Limited	ICICI Bank	1,26,86,44,762
2	Kalyani Steels Limited	ICICI Bank	49,38,32,150
3	JSW Steel Limited	ICICI Bank	11,60,08,776
4	Micromatic Grinding Technologies Private Limited	ICICI Bank	4,40,71,166
5	Kalyani Technoforge Limited	ICICI Bank	2,85,02,138
6	Mukand Sumi Metal Processing Limited	ICICI Bank	1,94,04,712
7	Bharat Fritz Werner Limited	ICICI Bank	1,58,66,329
8	Jayaswal Neco Industries Limited	ICICI Bank	1,06,43,965
9	R2A Automation Private Limited	ICICI Bank	30,26,002
	Grand Total		**2,00,00,00,000**

Notes:

1. The Statement provides relevant information on the utilization of the funds as required by the Regulation 15(1A)(c) of Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2017 raised on April 20, 2022 amounting to INR 2,000 million and the Information Memorandum dated April 13, 2022 ("IM") and Debenture Trust Deed dated April 19, 2022 ("DTD").

2. This Statement has been prepared basis the information extracted from the unaudited books of accounts of the Company. The preparation of this Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of this Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

3. The Company has a separate designated bank account with ICICI Bank (Account No. 000505022059) wherein the proceeds of the issue have been drawn down on April 20, 2022.

4. Table I represents the transfer of proceeds of the issue as drawn down in separate designated bank (ICICI Bank - Account No. 000505022059) to other specific bank account (ICICI Bank - Account No. 000551000058) based on the nature of payment to various vendors and creditors depending on daily fund requirements. The specific bank account through which payments were made is designated for payments which are relating to routine operations of the Company namely payment to creditors for material, capital assets, services, utilities, etc. Further, the funds were transferred on need basis for specified days and were first applied to the payments made during that day for approved purposes and balance if any, was paid using own funds already available in the specified bank account.

5. The above supplier-wise listing as contained in Table II with respect to utilization of INR 2,000 million is prepared based on relevant underlying documents as applicable to the respective creditors. These underlying documents include invoices, purchase orders, scheduling agreements, bank statements / advices, etc. available with the management of the Company.

6. The purpose of utilization of the above payments is in accordance with IM and DTD as follows:
   a. 'Payment of creditors' which includes payments for purchase of raw material.
   b. 'Capital expenditure' which includes payment made for purchase of property, plant equipment and capital work-in-progress (including capital advances).

7. The management of the Company represents that
   a) the proceeds of the issue are utilized for bona-fide business purposes as mentioned in the IM and DTD
   b) the proceeds are not utilized towards investment in capital markets including investment in shares of unlisted entities, real estate and any other purposes ineligible for bank finance as per extant RBI regulations
   c) the proceeds of the issue were temporarily parked in fixed deposits with ICICI Bank pending utilization
   d) the listing specified in Table II is prepared on actual payment basis and does not include accruals / provisions / book entries and
   e) sufficient controls are in place to establish linkage between the payment made and underlying invoices and to ensure that the payments out of the proceeds of the NCDs have not been made towards purposes other than those mentioned in the IM and DTD.

For Bharat Forge Limited

Sameer Paranjape
Associated Vice President - Finance
PAN: ALJPP2744E
Date: July 15, 2022
Place: Pune

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

For Bharat Forge Limited

Tejaswini Chaudhari
Company Secretary
PAN: AFTPC8564K
Membership Number: A18907
Date: July 15, 2022
Place: Pune

INITIALED FOR IDENTIFICATION BY
SRBC
SRBC & CO LLP

KALYANI
GROUP COMPANY

Bharat Forge Limited

Annexure II - Samples tested for utilization of funds relating to Report of factual findings in connection with agreed-upon procedures on the manner of utilization of the funds as required by the Regulation 15(1A)(c) of Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2017, as amended from time to time

Sr. No.	Name of Supplier	Payment Bank	Bank Reference (Refer Note 1)	Date of payment	Underlying document	Reference number for underlying document	Date of underlying document	Gross amount as per underlying document (INR) (Including tax)	Amount utilized from NCD Proceeds (INR)	Reason for variance in underlying document amount and amount utilized from NCD proceeds (if applicable) (Refer Note 2)	Whether underlying document verified?	Whether purpose of payment is as per the IM/DD?
1	Kalyani Steels Limited	ICICI Bank	420220429005196000	29-Apr-22	Invoice	9043021239	26-Jan-22	27,84,309	27,81,949	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
2	Kalyani Steels Limited	ICICI Bank	420220425005352000	25-Apr-22	Invoice	9033048525	24-Jan-22	20,14,002	20,12,295	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
3	Kalyani Steels Limited	ICICI Bank	420220429005196000	29-Apr-22	Invoice	9033048580	26-Jan-22	12,55,913	12,54,849	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
4	Kalyani Steels Limited	ICICI Bank	420220430005241000	30-Apr-22	Invoice	9033048878	30-Jan-22	21,70,646	21,68,806	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
5	Kalyani Steels Limited	ICICI Bank	420220502005345000	02-May-22	Invoice	9033048985	01-Feb-22	11,20,871	11,19,922	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
6	Kalyani Steels Limited	ICICI Bank	420220502005345000	02-May-22	Invoice	9033048978	01-Feb-22	11,13,535	11,12,591	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
7	Kalyani Steels Limited	ICICI Bank	420220505005188000	05-May-22	Invoice	9033049054	04-Feb-22	1,36,468	1,36,352	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
8	Kalyani Steels Limited	ICICI Bank	420220509005271000	09-May-22	Invoice	9033049132	07-Feb-22	13,14,738	13,13,624	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
9	Kalyani Steels Limited	ICICI Bank	420220510005284000	10-May-22	Invoice	9033049186	09-Feb-22	17,33,887	17,32,418	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
10	Saarloha Advanced Materials Private Limited	ICICI Bank	420220425005352000	25-Apr-22	Invoice	200065779	24-Feb-22	24,93,058	24,90,945	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
11	Saarloha Advanced Materials Private Limited	ICICI Bank	420220427005287000	27-Apr-22	Invoice	200065925	26-Feb-22	24,03,605	24,01,568	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
12	Saarloha Advanced Materials Private Limited	ICICI Bank	420220426005214000	26-Apr-22	Invoice	200065840	25-Feb-22	34,54,521	34,51,593	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
13	Saarloha Advanced Materials Private Limited	ICICI Bank	420220428005102000	28-Apr-22	Invoice	200066023	27-Feb-22	21,52,382	21,50,558	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
14	Saarloha Advanced Materials Private Limited	ICICI Bank	420220428005102000	28-Apr-22	Invoice	200066040	27-Feb-22	8,40,942	8,40,229	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
15	JSW Steel Limited	ICICI Bank	27490256221	09-May-22	Invoice	21SL3300065685	27-Feb-22	31,41,387	31,38,726	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
16	Saarloha Advanced Materials Private Limited	ICICI Bank	7420220429005190000	29-Apr-22	Invoice	200066132	28-Feb-22	21,58,029	21,56,200	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
17	Kalyani Steels Limited	ICICI Bank	420220427005287000	27-Apr-22	Invoice	9033048659	27-Jan-22	13,04,952	13,03,846	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
18	JSW Steel Limited	ICICI Bank	27490256221	09-May-22	Invoice	21SL3300065899	28-Feb-22	18,31,305	18,29,754	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
19	Saarloha Advanced Materials Private Limited	ICICI Bank	420220506005376000	06-May-22	Invoice	200066417	07-Mar-22	27,50,220	27,47,889	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
20	Saarloha Advanced Materials Private Limited	ICICI Bank	420220429005196000	29-Apr-22	Invoice	200066114	28-Feb-22	27,43,511	27,41,186	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
21	Saarloha Advanced Materials Private Limited	ICICI Bank	420220507005075000	07-May-22	Invoice	200066449	08-Mar-22	63,24,682	63,19,322	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
22	Saarloha Advanced Materials Private Limited	ICICI Bank	420220505005188000	05-May-22	Invoice	200066375	06-Mar-22	11,37,909	11,36,945	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
23	Saarloha Advanced Materials Private Limited	ICICI Bank	420220507005075000	09-May-22	Invoice	200066508	09-Mar-22	5,62,109	5,61,633	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
24	Saarloha Advanced Materials Private Limited	ICICI Bank	420220511005185000	11-May-22	Invoice	200066692	12-Mar-22	28,91,336	28,88,886	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
25	JSW Steel Limited	ICICI Bank	27490256221	09-May-22	Invoice	21SL3300067011	06-Mar-22	2,30,270	2,30,075	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
26	Saarloha Advanced Materials Private Limited	ICICI Bank	420220512005237000	12-May-22	Invoice	200066718	13-Mar-22	1,38,711	1,38,593	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
27	Saarloha Advanced Materials Private Limited	ICICI Bank	420220518005192000	18-May-22	Invoice	200066976	19-Mar-22	63,68,578	63,63,181	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
28	Saarloha Advanced Materials Private Limited	ICICI Bank	420220425005352000	25-Apr-22	Invoice	200065734	24-Feb-22	11,84,484	11,83,480	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
29	Saarloha Advanced Materials Private Limited	ICICI Bank	420220519005314000	19-May-22	Invoice	200067024	20-Mar-22	9,29,451	9,28,663	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
30	Jayaswal Neco Industries Limited	ICICI Bank	420220504005345000	04-May-22	Invoice	IN2224101078	11-Feb-22	24,94,709	24,92,595	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
31	Saarloha Advanced Materials Private Limited	ICICI Bank	420220502005345000	02-May-22	Invoice	200066203	02-Mar-22	1,30,804	1,30,693	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
32	Saarloha Advanced Materials Private Limited	ICICI Bank	420220504005342000	04-May-22	Invoice	200064661	31-Jan-22	16,56,098	16,54,695	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
33	Saarloha Advanced Materials Private Limited	ICICI Bank	420220513005184000	13-May-22	Invoice	200066746	14-Mar-22	23,68,239	23,66,232	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
34	Saarloha Advanced Materials Private Limited	ICICI Bank	420220512005237000	12-May-22	Invoice	200066740	13-Mar-22	83,76,631	23,57,447	TDS deducted @0.1% as per Section 194Q* and part payment made from own funds	Yes	Yes
35	Kalyani Steels Limited	ICICI Bank	420220504005342000	04-May-22	Invoice	9033049036	03-Feb-22	35,01,086	34,98,118	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
36	R2A Automation Private Limited	ICICI Bank	27322795911	28-Apr-22	Proforma Invoice	R2APL/PI/2022 23/0001	08-Apr-22	29,50,000	27,00,000	TDS deducted @0.1% as per Section 194Q*. Difference in amount due to capital advance given amounting to 90% of proforma invoice value	Yes	Yes
37	Mukand Sumi Metal Processing Limited	ICICI Bank	420220509005273000	09-May-22	Invoice	220100103	19-Apr-22	37,82,245	37,79,040	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
38	Micromatic Grinding Technologies Private Limited	ICICI Bank	420220502005345000	02-May-22	Proforma Invoice	PI/24009/21-22	23-Apr-22	2,37,60,000	2,37,41,100	TDS deducted @0.1% as per Section 194Q*	Yes	Yes
39	Kalyani Technoforge Limited	ICICI Bank	420220504005342000	04-May-22	Invoice	30000125	09-Mar-22	2,65,50,000	2,12,07,500	TDS deducted @0.1% as per Section 194Q*. Difference in amount due to part payment made	Yes	Yes
40	Bharat Fritz Werner Limited	ICICI Bank	420220517005226000	17-May-22	Proforma Invoice	NA	10-May-22	1,63,80,000	1,58,66,329	TDS deducted @0.1% as per Section 194Q* and part payment made from own funds	Yes	Yes

* Section 194Q of the Income Tax Act, 1961

Notes:

1 References mentioned in column "Bank Reference" represent bank reference numbers traced to the bank statement of specific bank account provided by the management. In case where the bank reference number represents a payment lot, accompanying details of invoices comprising such payment lot have been obtained from the management and have been traced to such back up details.

2 Remarks mentioned in the column "Reason for variance in underlying document amount and amount utilized from NCD proceeds (if applicable)" are as represented by management, we have not performed any procedures to test the same

For Bharat Forge Limited

Sameer Paranjape
Associate Vice President - Finance
PAN: ALJPP2744E
Date: July 15, 2022
Place: Pune

For Bharat Forge Limited

Tejaswini Chaudhari
Company Secretary
PAN: AFTPC8564K
Membership Number: A18907
Date: July 15, 2022
Place: Pune

KALYANI

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

INITIALED FOR IDENTIFICATION BY SRBC S R B C & CO LLP

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE: + 91 20 6704 2476 6704 2451 6704 2544 (Secretarial) Fax 020 2682 2163
Email: secretarial@bharatforge.com WEBSITE: www.bharatforge.com CIN L25209PN1961PLC012046

SUBHASH Y. JOSHI & CO.
CHARTERED ACCOUNTANTS

1523,Sadashiv Peth,
Anand Shilp, Pune 411 030
Cell :98220 65220
Mail ID : subhashjoshi_ca@yahoo.in

June 18, 2024

To,
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
Senapati Bapat Marg, Dadar(W),
Mumbai – 400 028.

Dear Sir,

M/s Bharat Forge Limited CIN: L25209PN1961PLC012046 ("the Company") having registered office at Pune Cantonment, Mundhwa, Pune 411036 has requested to issue a certificate with respect to the manner of utilization of the funds in relation to issue of 12,500 listed rated Unsecured Redeemable Non-Convertible Debentures ("NCD") each of Face Value of Rs.100,000 for cash aggregating to Rs. 1,250,000,000 by way of private placement by the Company.

We hereby certify that the said NCD issue proceeds which were draw down into a separate bank account no. 000505022059 with ICICI Bank Ltd. were transferred to a specific bank account no. 0036003006 with Citibank N.A. for utilization and the same has been utilized for bona-fide business purpose namely towards overseas direct equity investment in wholly owned subsidiary as detailed Annexure-I and the end use is in line with the purpose as mentioned in the Placement Memorandum and Debenture Trust Deed. We further certify that the funds has been utilized for the purpose it was sanctioned and not diverted towards investment in capital markets including investment in shares of unlisted entities, real estate and any other purposes ineligible for bank financing as per extant RBI regulation.

We have examined Books of Account, bank statement, information and explanations given to us and certify that the above particulars furnished herein are correct to the best of our knowledge and belief.

FOR SUBHASH Y JOSHI & CO
CHARTERED ACCOUNTANTS,
FRN 110459W

SUBHASH Y. JOSHI & CO. FRN 110459W Chartered Accountants

(CA SUBHASH JOSHI)
PROPRIETOR
M NO 033274
UDIN: 24033274BJZXJJ1218
Place: Pune

Annexure -I

Sr. No.	Name of overseas Subsidiary	Purpose	Payment Bank	Date of Payment	Foreign Currency (FC)	Amount in FC	Amount In equivalent INR	Amount Utilised out of NCD issue proceeds in INR	Amount Utilised out of own funds of the Company in INR
1	Bharat Forge America Inc., USA	Overseas Direct equity investment In Wholly Owned Subsidiary	Citibank N.A.	18/Jun/2024	USD	40,000,000	3,340,400,000	1,250,000,000	2,090,400,000

For SUBHASH Y. JOSHI & CO.
CHARTERED ACCOUNTANTS
FRN- 110459W

(CA. S. Y. JOSHI)
PROPRIETOR
18.06.2024

SUBHASH Y. JOSHI & CO. ★ Chartered Accountants ★ FRN 110459W

SUBHASH Y. JOSHI & CO.
CHARTERED ACCOUNTANTS

1523,Sadashiv Peth,
Anand Shilp, Pune 411 030
Cell :98220 65220
Mail ID : subhashjoshi_ca@yahoo.in

June 18, 2024

To,
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
Senapati Bapat Marg, Dadar(W),
Mumbai – 400 028.

Dear Sir,

M/s Bharat Forge Limited CIN: L25209PN1961PLC012046 ("the Company") having registered office at Pune Cantonment, Mundhwa, Pune 411036 has requested to issue a certificate with respect to the manner of utilization of the funds in relation to issue of 12,500 listed rated Unsecured Redeemable Non-Convertible Debentures ("NCD") each of Face Value of Rs.100,000 for cash aggregating to Rs. 1,250,000,000 by way of private placement by the Company.

We hereby certify that the said NCD issue proceeds which were draw down into a separate bank account no. 000505022059 with ICICI Bank Ltd. were transferred to a specific bank account no. 0036003006 with Citibank N.A. for utilization and the same has been utilized for bona-fide business purpose namely towards overseas direct equity investment in wholly owned subsidiary as detailed Annexure-I and the end use is in line with the purpose as mentioned in the Placement Memorandum and Debenture Trust Deed. We further certify that the funds has been utilized for the purpose it was sanctioned and not diverted towards investment in capital markets including investment in shares of unlisted entities, real estate and any other purposes ineligible for bank financing as per extant RBI regulation.

We have examined Books of Account, bank statement, information and explanations given to us and certify that the above particulars furnished herein are correct to the best of our knowledge and belief.

FOR SUBHASH Y JOSHI & CO
CHARTERED ACCOUNTANTS,
FRN 110459W

SUBHASH Y. JOSHI & CO.
FRN
110459W
Chartered Accountants

(CA SUBHASH JOSHI)
PROPRIETOR
M NO 033274
UDIN: 24033274BJZXJJ1218
Place: Pune

Annexure -I

Sr. No.	Name of overseas Subsidiary	Purpose	Payment Bank	Date of Payment	Foreign Currency (FC)	Amount in FC	Amount In equivalent INR	Amount Utilised out of NCD issue proceeds in INR	Amount Utilised out of own funds of the Company in INR
1	Bharat Forge America Inc., USA	Overseas Direct equity investment In Wholly Owned Subsidiary	Citibank N.A.	18/Jun/2024	USD	40,000,000	3,340,400,000	1,250,000,000	2,090,400,000

For SUBHASH Y. JOSHI & CO.
CHARTERED ACCOUNTANTS
FRN- 110459W

(CA. S. Y. JOSHI)
PROPRIETOR
18.06.2024

SUBHASH Y. JOSHI & CO. ★ Chartered Accountants ★ FRN 110459W

BHARAT FORGE

Annexure 3

Updated list of Debenture Holders registered in the Register of Debenture Holders

ISSUE-WISE PARTICULARS					
ISIN	Issue size	Name(s) of Debenture Holder	Address	Contact No.	Email Id
INE465A08012	5.97% rated, listed, unsecured redeemable non-convertible debentures each having a face value of Rs. 1,000,000/- (Rupees One Million only) of the aggregate nominal value of Rs. 5,000,000,000/- (Rupees Five Thousand Million only)*	HDFC Bank Limited	HDFC Bank Limited, Custody Services, Lodha - I Think Techno Campus, off flr 8, next to Kanjurmarg Station, Kanjurmarg East, Mumbai 400042	**TELE:** +91-22-30752800/30752554 **FAX:** +91-22-30752846	darshan.jakhotiya@hdfcbank.com
INE465A08020	5.80% Listed Unsecured Redeemable Non-Convertible Debentures of the face value of Rs. 1,000,000/- (Rupees One Million) each, for cash aggregating Rs. 2,000,000,000/- (Rupees Two Thousand Million only)	ICICI Bank Limited	ICICI Bank Limited, Treasury Middle Office Group 2nd Floor, North Tower, East Wing ICICI Bank Tower, BKC Bandra (East), Mumbai 400051	**MOB:** +91 9967821080	sanket.jain@icicibank.com ritesh.tatiya@icicibank.com
INE465A08038	7.80% Listed Unsecured Redeemable Non-Convertible Debentures of the face value of Rs. 100,000/- (Rupees One Lakh) each, for cash aggregating Rs. 1,250,000,000/- (Rupees One Thousand Two Hundred and Fifty Million only)	Axis Bank Limited ICICI Bank Limited	1. Axis Bank Limited Treasury Ops Non SLR Desk Corp Off Axis House Level 4 South BLK Wadia International Centre P B Marg Worli Mumbai 400025 2. ICICI Bank Towers, BKC, Bandra East, Mumbai – 400051	**MOB:** +91 9821628001 +91 9967821080	manoj.sukhani@axisbank.com sanket.jain@icicibank.com ritesh.tatiya@icicibank.com

***1500 units of 5.97% rated, listed, unsecured redeemable non-convertible debentures each having a face value of Rs. 1,000,000/ (Rupees One Million only) of the aggregate nominal value of Rs. 1,500,000,000/- (Rupees One Thousand Five Hundred Million only) has been redeemed on August 06, 2024.**

For Bharat Forge Limited

BHARAT FORGE LTD. PUNE 411 036 MUNDHWA

Tejaswini Chaudhari
Company Secretary & Compliance Officer

March 12, 2025

Bharat Forge Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based/ Working capital facilities	4,008.0	4,008.0	[ICRA]AA+ (Stable); reaffirmed
Long-term/ Short-term – Fund-based / Term loan	575.0	575.0	[ICRA]AA+ (Stable)/ [ICRA]A1+; reaffirmed
Non-fund based facilities	725.0	725.0	[ICRA]A1+; reaffirmed
Long-term – Non convertible debentures	825.0	825.0	[ICRA]AA+ (Stable); reaffirmed
Issuer rating	NA	NA	[ICRA]AA+ (Stable); reaffirmed
Long-term/ Short-term – Unallocated limits	59.0	59.0	[ICRA]AA+ (Stable)/ [ICRA]A1+; reaffirmed
Total	**6,192.0**	**6,192.0**	

**Instrument details are provided in Annexure-1*

Rationale

The reaffirmation of the ratings continues to consider Bharat Forge Limited's (BFL's or the company's) leading position in the global automotive forgings industry, especially in the commercial vehicle (CV) chassis and engine components space. The ratings also consider the company's large-scale operations, its diversified business portfolio with a strong customer base in the automotive and industrial segments across geographies, and its established relationships with leading global original equipment manufacturers (OEMs) for components supplied and its technical capabilities. ICRA also notes that as part of its strategy to attain segmental diversification, BFL has been incrementally investing in the industrial components business. Further, favourable demand prospects and new orders, especially in the defence and aerospace sectors, are expected to support BFL's revenue growth and diversification prospects. The ratings also favourably factor in BFL's strong liquidity position with unencumbered cash and liquid investments of over Rs. 3,090 crore on a consolidated level as of December 2024.

The strength of the ratings is partially offset by the high working capital intensity demonstrated by BFL over the years due to the high quantum of exports, leading to an elongated receivables position. ICRA also notes the underperformance in overseas subsidiaries, especially in the aluminium forging business, in the recent past, which has had a bearing on the company's consolidated profitability to an extent, in FY2024 and 9M FY2025. Nevertheless, comfortable profitability registered by the standalone entity continues to support the consolidated profitability of BFL. While improvement in profitability of the overseas subsidiaries remains a monitorable as these markets face macroeconomic issues, the increasing revenue share from relatively high-margin business verticals such as defence and aerospace is expected to support the margin profile on a consolidated level, over the near term.

ICRA notes that while diversification across industrial segments has helped mitigate some impact of the cyclicality in the CV segment during the recent downturn, BFL's dependence on the CV segment continues to remain high at ~37% of standalone revenues during FY2024 (~35% in 9M FY2025). Nevertheless, it is continuously working on diversifying its business portfolio by increasing the share of industrial and passenger car segments in its overall revenue pie. The company also demonstrates a diversified product profile and dual shore capabilities, strong engineering, design and fully-integrated manufacturing capabilities, which help it maintain a steady share of business with leading OEMs, along with its presence in new platform development programmes. The impact of any import tariffs on Indian auto component exports, however, remains monitorable. While an estimated 10-12% of the company's consolidated revenue is at risk due to electrification in the automobile industry over the medium term, the focus on diversifying its product base across applications and end-user industries mitigates this risk to an extent.

ICRA notes the fresh capital of Rs. 1,650 crore raised by BFL through qualified institutional placement (QIP) in Q3 FY2025. A part of this capital will be utilised to fund the Rs. 550-crore acquisition of AAM India Manufacturing Corporation Private Limited, while the rest ~Rs. 1,100-crore have been utilised to pare down debt outstanding at the subsidiaries level. With this, the gross debt (excluding lease liabilities) at a consolidated level reduced by ~Rs. 1,190 crore as of December 31, 2024, over that as of March 31, 2024.

The Stable outlook on the long-term rating reflects ICRA's expectation that the revenue growth momentum demonstrated by BFL in the recent past, aided by healthy volume off-take across segments, is likely to be maintained over the near-to-medium term. While the consolidated profitability remains suppressed to an extent at present, its improvement remains contingent upon margin expansion at the level of its overseas entities, since some of BFL's key overseas markets continue to face macroeconomic challenges.

Key rating drivers and their description

Credit strengths

Leadership position in CV engine and chassis components segment – BFL is one of the leading players in the domestic chassis and engine component segments for CVs, and is the main supplier to several leading domestic CV OEMs. Along with its subsidiaries, the company supplies forged components to several major global CV OEMs. Over the years, it has added new customers and geographies to diversify its business profile and clientele. Given the criticality of components supplied by BFL to CV OEMs and the limited competitive intensity in the heavy forgings business, the company is expected to maintain a robust operational performance in this segment, going forward.

Diversified product profile and dual shore capabilities; strong engineering, design and fully integrated manufacturing capabilities aid healthy wallet share with leading OEMs – BFL's strong market position reflects its large scale of operations, equipped with facilities to supply a wide range of auto components. Its research and development (R&D) infrastructure establishes it as a complete solution provider, right from the conceptualisation and designing to the manufacturing and validation stages. BFL continues to benefit from its diversified product profile and dual shore capabilities developed over the years, while its strong engineering, design and fully integrated manufacturing capabilities help it maintain a steady share of business with leading OEMs and establish its presence in new platform development programmes.

Diversified investments in industrial components business and favourable demand prospects for defence, aerospace and locomotive sectors support long-term growth – BFL has been increasingly focusing on developing its industrial business vertical to support its growth prospects and mitigate the threat of cyclicality inherent in the automobile industry. The company has been supplying its products across industrial segments for applications in oil and gas, defence, aerospace, sugar, wind energy and heavy engineering sectors, which accounted for ~44% of its standalone revenues in FY2024 (~48% in 9M FY2025). J S Auto Cast Foundry India Private Limited (J S Auto; rated [ICRA]A+(Stable)/[ICRA]A1), a casting entity which was acquired by BFL in June 2022, has reported a steady revenue growth momentum and margin expansion, aided by new client acquisitions by virtue of operational synergies from the acquisition by BFL. With incremental revenues from J S Auto, which caters primarily to the wind energy sector, and new orders secured in the defence and aerospace sectors, the revenue growth and diversification prospects of the industrial vertical remain robust. BFL materially started rolling out deliveries of defence orders from FY2024, with a robust pace of revenue growth momentum seen in FY2024 and 9M FY2025 –revenues from defence business scaled up from ~Rs. 400 crore in FY2023 to Rs. 1,560 crore in FY2024, with the revenue estimate for FY2025 from this business being Rs. 1,800-2,000 crore. A comfortable order book position (with executable order book of ~Rs. 5,700 crore as of December 31, 2024) in this segment is expected to provide sufficient revenue visibility over the near-to-medium term.

Strong liquidity profile, aided by sizeable cash and liquid investments – BFL's liquidity position remains strong, supported by sizeable cash and liquid investments of around Rs. 2,472 crore, along with healthy cash accruals and unutilised credit lines as on December 31, 2024, at a standalone level. At the consolidated level, the liquidity position remains strong, with cash and liquid investments of approximately Rs. 3,091 crore as on December 31, 2024, which are expected to support the company to comfortably service its debt servicing and capex requirements.

Credit challenges

Challenging operating environment across geographies, particularly for BFL's overseas entities – While presence across different geographies provides BFL with geographic diversification benefits, it also exposes the company to different challenges specific to the geographies where it operates. The impact of any import tariffs on Indian auto component exports remains monitorable. The company's European manufacturing operations have shown muted profitability in the recent past, with OPM being 3.2% and 2.9% for FY2024 and 9M FY2025, respectively. The US manufacturing operations continued to witness operating losses, with OPM being -11.1% and -7.8% for FY2024 and 9M FY2025, respectively. Price hikes undertaken by the company with its key customers coupled with cost optimisation measures in overseas subsidiaries are expected to result in a gradual recovery in the operating performance of these entities; although the pace of improvement in operational performance of these overseas entities remains a key monitorable. Paring down of debt outstanding at these entities by BFL through the QIP proceeds is expected to lend some support to their net profitability, going forward.

Despite diversification plans, exposure to cyclical CV segment both in India and international markets remains sizeable – BFL's revenue can be broadly divided into revenues from the CV segment (35% of standalone revenues in 9M FY2025), passenger vehicle (PV) segment (17%) and industrial segment (48%). Given the cyclicality of the medium and heavy commercial vehicles (M&HCV) segment, from which it derives a major share of its revenues, BFL is working on diversifying its product base by increasing its exposure to PV, locomotive, defence and aerospace components, where the demand is relatively stable. Furthermore, the auto component industry remains vulnerable to pricing pressures from large OEMs. While 10-12% of the company's consolidated revenue is at risk due to electrification in the automobile industry, the focus on diversifying its product base across applications and end-user industries mitigates the risk to an extent.

High working capital intensity and moderately leveraged capital structure; although some improvement seen in working capital profile as defence business picked up – Owing to its high exports, BFL's receivable cycle is lengthy, resulting in a high working capital intensity. To improve its cash flows, the company discounts invoices of its overseas customers, as the discount rate is substantially lower than the domestic funding rate. Accordingly, most of BFL's debt is low-cost foreign currency debt, which is a self-liquidating liability. With a part of QIP proceeds utilised by BFL to pare down its debt, the capital structure improved moderately in December 2024. Moreover, the scaling up of its defence business, which enjoys a sizeable share of customer advances, has resulted in some improvement in BFL's working capital intensity, which reduced from 32% in FY2023 to 25% in FY2024 and 26% in H1 FY2025, with the expectation that it will be sustained at this level, going forward.

Environmental and Social Risks

Environmental considerations: BFL is not directly exposed to climate transition risks stemming from tightening emission control requirements, although the bulk of its product portfolio is used across various fuel powertrains. However, its automotive-manufacturer customers remain highly exposed to the same. Accordingly, BFL's prospects remain linked to the ability of its customers and suppliers to meet the tightening emission requirements. The company may need to continue to invest materially to develop products to cater to electric vehicles (EVs), even as the transition towards the same in BFL's end-user segments is likely to be gradual. BFL is continually taking measures to reduce its carbon emissions and is preparing an action plan to decarbonise its operations.

Social considerations: BFL, like most automotive component suppliers, has a healthy dependence on human capital. Retaining human capital, maintaining healthy employee relations as well as supplier ecosystem remain essential for disruption-free operations for the entity. The entity has been undertaking initiatives to enhance employee safety, besides imparting training, technical knowledge upgradation, as well as quality initiatives towards improvement of their capacity and capabilities. Another risk that BFL faces pertains to product safety and quality, wherein instances of product recall and high warranty costs may lead to financial implications and harm the entity's reputation, creating a more long-lasting adverse impact. In this regard, BFL's experience in catering to leading automotive manufacturers globally underpins its ability to mitigate these risks to an extent.

Liquidity position: Strong

BFL's liquidity profile continues to remain strong, supported by large, unencumbered cash and liquid investments of approximately Rs. 3,091 crore (consolidated) as on December 31, 2024, and sizeable buffer in the form of undrawn bank lines, as reflected by an average working capital utilisation for 2024 at 74%. The liquidity profile is further enhanced by healthy cash accrual generation of ~Rs. 1,200-1,400 crore per annum, at a consolidated level. Against these, the company plans for capex of ~Rs. 1,400-1,600 crore annually, along with debt repayment obligations of around Rs. 566 crore in FY2025, and Rs, 600-650 crore per annum over the near to medium term. It is also to be noted that BFL pared down debt across a few of its subsidiaries through the QIP raised during Q3 FY2025, which resulted in a moderate reduction in its overall debt level in December 2024 vis-à-vis March 2024.

Rating sensitivities

Positive factors – ICRA could upgrade BFL's rating if the company demonstrates significant improvement in its scale of operations and return indicators. Specific credit metrics, at the consolidated level that could lead to an upgrade of BFL's rating include net debt-free status along with the total debt/ OPBITDA below 0.5 times on a sustained basis and reduction in dependence on the cyclical CV segment below 25% at the consolidated level.

Negative factors – Pressure on BFL's rating could arise in case of sustained slowdown in key end-user industries, thereby exerting pressure on profitability and coverage indicators. Also, large debt-funded acquisitions or capacity expansion, which could adversely impact the capital structure, could trigger a negative rating action. Specific credit metrics that could lead to a rating downgrade include total debt/ OPBITDA above 2.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Components
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Bharat Forge Limited. Subsidiary details, including direct as well as step-down subsidiaries, are all enlisted in Annexure-2.

About the company

Incorporated in 1961, Bharat Forge Limited is the flagship company of the Pune-based Kalyani Group, which has interests in forging, auto components, speciality steels, infrastructure, renewable energy and speciality chemicals businesses. BFL is one of the largest forging companies in India and among the largest in the world, second only to Thyssen Krupp in terms of installed capacity and revenues. BFL has a diversified global customer base, including the top five CV and PV manufacturers in the world, and caters to key global automotive OEMs and Tier I suppliers.

The company's business broadly comprises two segments, auto components (~50-55% of standalone revenues) and non-automotive components (~45-50%). BFL's auto components segment primarily manufactures forging-based engine and chassis components with a focus on crankshafts and front-axle beams. It is one the leading suppliers of crankshafts and front-axle beams to CV OEMs in India, Europe and North America, and enjoys a sizeable share of the business with leading OEMs. In terms of its geographical mix, BFL caters to North American, European as well as Indian markets. Over the years, it has followed a two-pronged diversification strategy. During the first phase, the company diversified its presence across markets through a series of overseas acquisitions and transformed its business model from being a forging-based auto component company with a domestic market presence to an entity with a global scale and customer base. As part of the next phase, it has been diversifying into non-automotive sectors, such as defence and aerospace.

Key financial indicators

BFL (consolidated)	FY2023 Audited	FY2024 Audited	H1 FY2025 Unaudited
Operating Income (Rs. crore)	12,924.1	15,697.5	7,794.7
PAT (Rs. crore)	541.8	904.8	417.8
OPBDIT/OI (%)	13.8%	16.4%	17.8%
PAT/OI (%)	4.2%	5.8%	5.4%
Total Outside Liabilities/Tangible Net Worth (times)	1.7	1.7	1.6
Total Debt/OPBDIT (times)	4.1	3.1	2.8
Interest Coverage (times)	6.0	5.2	5.9

PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Source: BFL, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2025)			Chronology of rating history for the past 3 years							
				FY2024		FY2023		FY2022			
Instrument	Type	Amount Rated (Rs. crore)	March 12, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Working capital facilities	Long Term	4,008.0	[ICRA]AA+ (Stable)	13-Mar-24 18-Dec-23 10-Apr-23	[ICRA]AA+ (Stable)	12-Apr-22	[ICRA]AA+ (Stable)	7-Oct-21	[ICRA]AA+ (Stable)	30-Jul-21	[ICRA]AA+ (Stable)
Term loan	Long-Term/ Short-Term	575.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	13-Mar-24 18-Dec-23 10-Apr-23	[ICRA]AA+ (Stable)/ [ICRA]A1+	12-Apr-22	[ICRA]AA+ (Stable)/ [ICRA]A1+	7-Oct-21	-	30-Jul-21	-
Non-fund based facilities	Short-Term	725.0	[ICRA]A1+	13-Mar-24 18-Dec-23 10-Apr-23	[ICRA]A1+	12-Apr-22	[ICRA]A1+	7-Oct-21	[ICRA]A1+	30-Jul-21	[ICRA]A1+
Non convertible debentures	Long Term	825.0	[ICRA]AA+ (Stable)	13-Mar-24 18-Dec-23 10-Apr-23	[ICRA]AA+ (Stable)	12-Apr-22	[ICRA]AA+ (Stable)	7-Oct-21	[ICRA]AA+ (Stable)	30-Jul-21	[ICRA]AA+ (Stable)
Issuer rating	Long Term	NA	[ICRA]AA+ (Stable)	13-Mar-24 18-Dec-23 10-Apr-23	[ICRA]AA+ (Stable)	12-Apr-22	[ICRA]AA+ (Stable)	7-Oct-21	[ICRA]AA+ (Stable)	30-Jul-21	-
Unallocated limits	Long-Term/ Short-Term	59.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	13-Mar-24 18-Dec-23 10-Apr-23	[ICRA]AA+ (Stable)/ [ICRA]A1+	12-Apr-22	[ICRA]AA+ (Stable)/ [ICRA]A1+	7-Oct-21	[ICRA]AA+ (Stable)/ [ICRA]A1+	30-Jul-21	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based / Working Capital Facilities	Simple
Long Term / Short Term – Fund Based / Term Loan	Simple
Non-Fund Based Facilities	Very Simple
Long Term – Non Convertible Debentures	Very Simple
Issuer Rating	Not Applicable
Long Term / Short Term – Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: Click Here

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Fund based facilities	NA	NA	NA	4,008.0	[ICRA]AA+ (Stable)
NA	Non-fund based facilities	NA	NA	NA	725.0	[ICRA]A1+
INE465A08012	Non-Convertible debenture	Aug-2020	5.97%	Aug-2025	500.0	[ICRA]AA+ (Stable)
INE465A08020	Non-Convertible debenture	Apr-2022	5.80%	Apr-2025	200.0	[ICRA]AA+ (Stable)
INE465A08038	Non-Convertible debenture	Mar-2024	7.80%	Mar-2027	125.0	[ICRA]AA+ (Stable)
NA	Unallocated limits	NA	NA	NA	59.0	[ICRA]AA+ (Stable)/ [ICRA]A1+
NA	Term loan 1	Apr-2022	NA	Mar-2028	200.0	[ICRA]AA+ (Stable)/ [ICRA]A1+
NA	Term loan 2	Mar-2024	NA	Mar-2029	375.0	[ICRA]AA+ (Stable)/ [ICRA]A1+
NA	Issuer rating	NA	NA	NA	NA	[ICRA]AA+ (Stable)

Source: *Company*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-2: List of entities considered for consolidated analysis

Company Name	BFL Ownership	Consolidation Approach
Direct Subsidiaries/Joint Ventures/Associates		
Bharat Forge Global Holding GmbH	100.00%	Full Consolidation
Bharat Forge International Limited	100.00%	Full Consolidation
Bharat Forge America Inc.	100.00%	Full Consolidation
BF Infrastructure Limited	100.00%	Full Consolidation
Kalyani Strategic Systems Limited	100.00%	Full Consolidation
Kalyani Powertrain Limited	100.00%	Full Consolidation
BF Industrial Solutions Limited	100.00%	Full Consolidation
BF Elbit Advanced Systems Private Limited	51.00%	Full Consolidation
Eternus Performance Materials Private Limited	51.00%	Full Consolidation
Kalyani Centre for Precision Technology Limited	100.00%	Full Consolidation
Kalyani Lightweighting Technology Solutions Limited	100.00%	Full Consolidation
Indigenous IL Limited	NA	Full Consolidation
Step Down Subsidiaries/Joint Ventures/Associates		
Tork Motors Private Limited[1]	64.29%	Full Consolidation
Lycan Electric Private Limited	64.29%	Full Consolidation
Electroforge Limited[2]	100.00%	Full Consolidation
Bharat Forge Holding GmbH	100.00%	Full Consolidation
Bharat Forge Aluminiumtechnik GmbH	100.00%	Full Consolidation
Bharat Forge Kilsta AB	100.00%	Full Consolidation
Bharat Forge CDP GmbH	100.00%	Full Consolidation
Bharat Forge Daun GmbH	100.00%	Full Consolidation
Mecanique Generale Langroise	100.00%	Full Consolidation
Bharat Forge PMT Technologie LLC	100.00%	Full Consolidation
Bharat Forge Tennessee Inc.	100.00%	Full Consolidation
Bharat Forge Aluminium USA, Inc.	100.00%	Full Consolidation
Kalyani Mobility, Inc.	100.00%	Full Consolidation

Company Name	BFL Ownership	Consolidation Approach
BF Industrial Technology & Solutions Limited	100.00%	Full Consolidation
Sanghvi Europe B.V.	100.00%	Full Consolidation
J S Auto Cast Foundry India Private Limited[3]	100.00%	Full Consolidation
BFIL-CEC JV	74.00%	Full Consolidation
Kalyani Rafael Advanced Systems Private Limited	50.00%	Full Consolidation
Sagar Manas Technologies Limited	51.00%	Full Consolidation
Kalyani Strategic Systems Australia Pty Limited	100.00%	Full Consolidation
Zorya Mashproekt India Private Limited[4]	64.94%	Full Consolidation
FerroviaTransrail Solutions Private Limited	100.00%	Full Consolidation
BF Premier Energy Systems Private Limited	NA	Equity Method
Aeron Systems Private Limited	37.14%	Equity Method
Avaada MHVidharbha Private Limited	26.00%	Equity Method
BF NTPC Energy Systems Limited[5]	51.00%	Equity Method
Talbahn GmbH	35.00%	Equity Method
Refu Drive GmbH	50.00%	Equity Method
Refu Drive India Private Limited	50.00%	Equity Method

Source: *BFL published results for Q3 FY 2025; [1]Converted to subsidiary with effect from November 22, 2021; [2]incorporated with effect from July 25, 2022; [3]with effect from July 1, 2022; [4]with effect from January 24, 2024; [5] Not consolidated as the shareholders of the Joint Venture Company decided to voluntarily liquidate the joint venture at their EGM held on October 9, 2018*

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545328
shamsherd@icraindia.com

Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Mythri Macherla
+91 22 6114 3435
mythri.macherla@icraindia.com

Yashowardhan Swami
+91 20 6606 9923
yashowardhan.swami@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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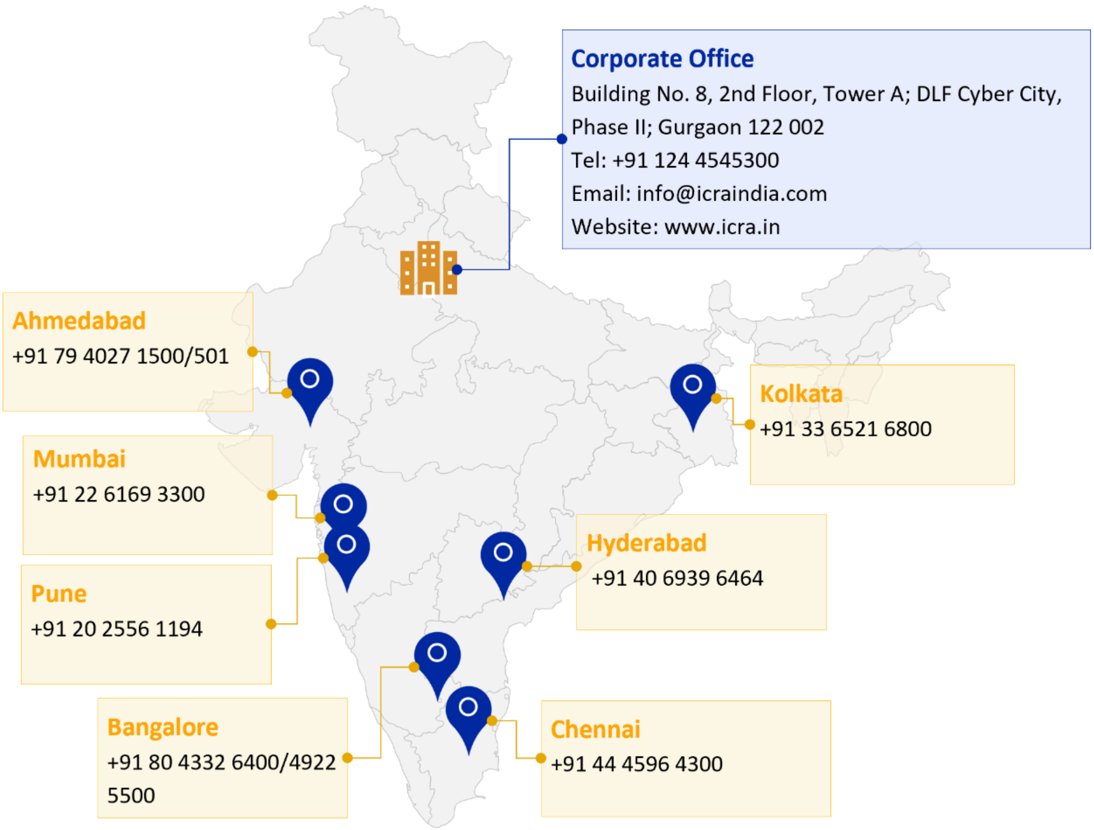
ICRA Limited

Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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Bharat Forge Limited

December 20, 2024

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	2,900.00	CARE AA+; Stable	Reaffirmed
Short Term Bank Facilities	700.00	CARE A1+	Reaffirmed
Non Convertible Debentures	700.00	CARE AA+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities and instruments of Bharat Forge Limited (BFL) continue to factor its established market position as India's largest manufacturer and exporter of auto components, consistently healthy profitability in the Indian manufacturing operations and long-standing relationship with global automotive original equipment manufacturers (OEMs) and Tier-I suppliers, particularly in the commercial vehicle (CV) segment. The rating has positively factored the robust orderbook position in the defence segment, ramp-up of the greenfield aluminium forging capacity in North America and the funds raised through qualified institutional placement (QIP), which will be largely utilized towards debt repayment/pre-payment.

Though the CV segment has been the leading contributor to the revenues on a consolidated basis, the company has well-diversified itself over the years across passenger vehicles (PV) and Industrial segment (comprising defence, oil & gas, aerospace and rail). During FY24 (FY refers to the period from April 01 to March 31), the company has reported total operating income (TOI) of ₹15,562 crores led by revenue growth across both Indian and Overseas manufacturing operations of 21.3% YoY and 21.9% respectively. Around 55-60% of the revenues in the Indian operations cater to the export market. The revenue growth for CV, PV and Industrial has been 7.6%, 20.1% and 30.8% respectively for FY24. However, CARE takes note of the slowdown in the CV segment, particularly US market for Class 8 trucks where-in BFL has a strong presence. On the other hand, the investments and development costs incurred over past few fiscals in the defence segment have started fructifying, with revenues from the defence segment rising from ₹410 crores in FY23 to ₹1561 crores in FY24 and further to ₹1151 crores just during H1FY25. Executable order book for the defence business was ₹5905.1 crores as on Sep 30, 2024, providing revenue visibility over medium-term.

During the past few fiscals (FY20-24), on a consolidated basis, the company's profit before interest, lease, rentals, depreciation, and taxation (PBILDT) margins has stabilized in the range of around 12-15%, despite significant market headwinds and fluctuations in input commodity prices, over the same period. The Indian manufacturing operations have posted healthy PBILDT margins in the range of 20-25% over the past 2 fiscals (FY23 and FY24). However, the consolidated operating profitability came in at 13.02% in FY23 and 15.69% in FY24 due to the weak performance in the overseas operations which largely includes North America and Europe. The European manufacturing operations though have shown improvement, the PBILDT margins remained inherently low at 3-4% during FY24 and H1FY25. The operating losses in USA have come down from ₹116.9 crores in FY23 to loss of ₹95.30 crores in FY24, despite the revenues surging by 74.27% to ₹856 crores for FY24. The company has completed its greenfield capex in USA for the manufacture of aluminium forgings to address opportunities in lightweighting in 2022, the full commercial benefit of which has been visible since FY24.

The debt protection metrics including overall gearing, Total debt (TD) by PBILDT and interest coverage has been 1.16x, 3.23x and 4.97x as on Mar 31, 2024 (vs 1.14x, 4.35x and 5.58x as on Mar 31, 2023). The total debt primarily has risen over the past two fiscals (FY22-24) due to increase in working capital borrowings, alongside the increase in revenues for the same period. Additionally, the company has raised net proceeds of ₹1619 crores (gross proceeds ₹1650 crores) through the QIP route in December 2024, of which around ₹1030 crores are likely to be utilized towards debt repayments and prepayments for the debt raised by its subsidiaries. The balance amount raised through the QIP route, will be utilized towards the acquisition of American Axles Manufacturing India Corporation Private Limited (AAM India), announced in November 2024 for a consideration of around ₹545 crores. Though BFL already has presence in axles for CV through supply of components, AAM acquisition will add to the customer base, and also augmenting the technological ability in the product segment.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

The rating strengths are constrained due to working capital intensive operations and volatility in end-user sectors. Despite diversification, even today, a large proportion of its revenue is derived from the automotive segment, thereby exposing the company to inherent cyclicality of the automobiles industry. The ratings are further constrained on account of the susceptibility of the operating margins to commodity price risk and forex risk. Turnaround in the performance of overseas operations and any large-sized unanticipated debt-funded capex or acquisitions leading to deterioration in the capital structure and debt coverage metrics from the existing levels would continue to remain the key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors- Factors likely to lead to positive rating action

- Significant growth in the revenue along with operating margins above 20% on a sustained basis.
- Improvement in net debt/PBILDT to below 0.50x on a sustained basis.

Negative factors- Factors likely to lead to negative rating action

- Worsening of the debt coverage indicators including net debt/PBILDT and/or Total outside liabilities (TOL) by Tangible Networth (TNW) above 2.0x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CARE Ratings) has adopted a consolidated approach to arriving at the ratings of BFL as the subsidiaries are in related businesses. The list of the subsidiaries is shared as Annexures-6.

Outlook: Stable

Stable outlook reflects, CARE Ratings expects, that the impact of slowdown in CV market (both domestic and global), is likely to be more than proportionately compensated by the strong growth expectations from the defence and industrial segment. As of September 30, 2024, executable order book was around ₹5905 crores for defence segment providing revenue visibility over the short to medium term period. Additionally, acquisition plans of AAM India is not expected to result in any significant rise in leverage over the medium term, given the support of the QIP proceeds amounting to ₹1650 crores (gross proceeds). Additionally, the recent acquisitions, past investments in defence (product development) and overseas greenfield investments (in USA for aluminium forging) done over past few fiscals are expected to result in higher cash flow generation for the entity and shall support the increase in leverage levels consequent to any further small to medium-sized debt funded capex/acquisitions if any.

Detailed description of key rating drivers:

Key strengths

Part of the Kalyani Group

BFL is the flagship entity of the Kalyani Group, with its promoters holding 45.25% stake in the company (as on September 30, 2024). The company is managed by a professional management team, with Mr. B. N. Kalyani as the Chairman and Managing Director. Along with a strong competent management team with a long track record in the industry, the company has ensured maintenance of strong corporate governance practices and a prudent approach to management.

India's largest auto component exporter with established OEMs clientele

BFL is India's largest forging company, supplying directly to Auto OEM's and Tier I suppliers, with manufacturing capacity of more than 6 Lakh metric tonne for steel forging, 50,000 metric tonnes for aluminium forging and 77,760 metric tonnes for iron casting (on consolidated basis). The company is supplier of choice for critical engine, chassis, and drive-line components for heavy CVs. The company has built strong client relations over the years resulting in healthy market position, particularly for the export market. 58% of the revenues in the Indian operations for FY24 have been towards the export market, particularly to North America and to some extent to Europe. The company has a large, reputed customer base even outside automotive sector and the non-automotive segment revenues has also been almost 45% of the total standalone revenues. Under the industrial segment, the company caters to power, oil & gas, defence & aerospace, construction & mining, rail & marine and general engineering applications.

Diversification of revenue streams in industrial segments

BFL continues to benefit from its diversified product profile and dual shore capabilities developed over the years to de-risk its business model from the cyclicality of the automobile industry. The company has presence in the auto as well as industrial segment, although large proportion of the revenue is derived from the auto segment (PV and CV). For Indian operations including domestic and exports, around 37% of the revenue is derived from the CV segment, 18.5% from PV and 44.5% revenue is derived from industrial segment for FY24. On a consolidated basis, the revenues were well diversified with 24.4% domestically, 35.3% Europe and 25.1% USA. In August 2023, BFL exported its first indigenously designed, developed and manufactured artillery system from India. Revenues in defence has increased from ₹410 crores in FY23 to ₹1561 crores in FY24 and further to ₹1151 crores just during H1FY25. The significant investments and development costs incurred over past few fiscals in the defence segment have started fructifying. As on September 30, 2024, BFL had executable order book of ₹5905.1 crores for the defence business, providing revenue visibility over medium-term.

Stable performance with healthy profitability in Indian operations

Total Operating Income has increased by 21.52% in FY24 mainly led by massive growth in the industrial segment of 31% YoY in FY24 and 17% in H1FY25. On the other hand, the PV segment which has grown 20% in FY24 has declined by 4.3% in H1FY25 due to challenges in the PV export market. Similarly, CV, which is the major revenue driver has improved by 7.6%in FY24, while turning negative 4.7% YoY in H1FY25. Henceforth, in line with the industry scenario, we expect the outlook for CV to be moderate to negative, while defence to more or less offset the degrowth in the other segments. PBILDT improved by 46.4% in FY24 with PBILDT margin of 15.69% on a consolidated basis. The standalone PBILDT margins have been sturdy at 27.63% in FY24 (vs 25.24% in FY23). The ramp-up of the operations in the defence segment has resulted in normal margins for defence in FY24. On the other hand, the overseas manufacturing operations have turned from operating loss to profit in FY24 (PBILDT level). However, the operating profitability continues to remain inherently low with operating margins of 3-4% for European manufacturing in FY24 and H1FY25. The revenues in USA manufacturing operations have risen by 74.27% to ₹856 crores for FY24 and the operating losses have come down from ₹116.9 crores in FY23 to loss of ₹95.30 crores in FY24, despite the revenue surge. The company had completed greenfield capex in USA for the manufacture of aluminium forgings to address opportunities in lightweighting in 2022, the full commercial benefit of which has been visible since FY24.

Key weaknesses

Exposed to the risk of revenue loss due to shift to electric vehicles; challenges in the EV acquisitions

The government has been pushing hard for implementation of electric vehicles (EVs) owing to its multiple advantages, such as eco-friendliness, cheaper operational cost, including running and maintenance, both in India as well as globally. This is likely to have a negative impact on auto ancillary as a whole. According to the company management, there would be an impact of approximately 10%-15% on its business in the medium- to long-term. Additionally, the company had ventured into E-mobility in 2018-19 by acquiring stake across EV companies including investments in 2-wheeler -EV (Tork Motors), EV-CV (Tevva Motors) and controllers (Refu Drive). However, most of these investments have not yet turned out well with Tevva Motors having filed application for insolvency in 2024. Additionally, the company has taken impairment of ₹151.77 crores in H1FY25 for the value of investments in Tork Motors. The rating draws comfort from the fact that some of the latest acquisitions including JS Auto and planned acquisition of AAM India (which is one among the leading manufacturer of axles manufacturer) would augur the revenue profile of the company in the domestic business.

Large share of revenue derived from auto industry, which is cyclical in nature

The company derives nearly 55% of the revenue from the automotive segment on a standalone basis. As a large proportion of the company's revenue is derived from the auto segment, it exposes the company to the cyclicality of the auto industry in India as well as globally. Additionally, the company has strong presence in the cyclical CV segment with major presence in US Class 8 truck components and European medium and heavy truck market.

Working capital-intensive nature of operations as evinced by high operating cycle

Owing to its high exports, BFL's receivable cycle is lengthy, resulting in a high working capital intensity. To improve its cash flows, the company discounts invoices of its overseas customers, as the discount rate is substantially lower than the domestic funding rate. Accordingly, most of BFL's debt is low-cost foreign currency debt, which is a self-liquidating liability. This led to increase in the operating cycle in FY24 at 103 days (PY: 114 days). Fund-based utilisation remained moderate at 75% for the 12 months ended September 2024.

Moderate debt coverage indicators, expected to improve

Overall gearing, TD/gross cash accruals (GCA) and interest coverage has been 1.16x, 4.97x and 4.56x as on Mar 31, 2024 (vs 1.14x, 5.58x and 6.20x as on Mar 31, 2023). The total debt primarily has risen over the past 2 fiscals primarily due to increase in working capital borrowings (CAGR 22.5% over FY22 to FY24), alongside the increase in revenues (CAGR 23.0%) for the same period. Financial risk profile to improve further with the QIP proceeds of ₹1650 crores of which ₹1030 crores is to be used towards repayment/prepayments of the foreign currency long-term debt and working capital borrowings raised by the subsidiaries.

Liquidity: Strong

The company had cash balance and liquid investments of ₹2719.84 crore as on March 31, 2024 and ₹1990.60 crores as September 30, 2024. While the fund-based working capital utilization remained in comfortable range at an average of 75% for trailing 12 months ended September 2024. The company has more than ₹600 crores of debt repayments in FY25 on consolidated basis. Against this, the company had GCA of ₹1729 crores in FY24 and expected to be maintained in this range in FY25. Additionally, of the total proceeds of qualified institutional placement (QIP), ₹1030 crores is classified towards debt repayments and prepayments, which provides further comfort towards debt repayment obligations over medium-term. The company has additionally planned acquisition of AAM India amounting to ₹549 crores, which will be provided from the QIP proceeds.

Assumptions/Covenants Not applicable

Environment, social, and governance (ESG) risks

	Risk factors
Environmental	**Power consumption: Moderate** 39% of the energy consumed has been from renewable sources, increasing from 29% in FY23. **Environmental emissions: Moderate** GHG emission for scope 1 and scope 2 has been 249 thousand tons Co2e cumulatively, while the emission intensity (tCO2 e/MT production) has been 0.918 for FY24. **Wastage & recycling: Moderate** Of the total water consumption, 33% of the same has been recycled water. Hazardous Waste (kg/MT of production) has increased by 48% in FY24.
Social	**Gender diversity- Low** Given the manufacturing operations, the gender diversity has been quite low. Around 2.6% of employees were female, while 8.33% of key management personnel were female. **Safety standards: Followed** No of fatalities and lost-time injury frequency rate has been nil and 0.45 respectively for the employees during FY24, while same is relatively high at 1.14 and 2 for the workers. Company is certified for ISO 14001 (Environmental Management) and ISO 45001 (Occupational health and safety). **Employee Attrition & Trainings: Adequate.** Attrition rate low at 6% for FY24, reducing from 10.6% in FY23 and 8% in FY22. 25.98 hours of training hours per employee.
Governance	**Board independency- Adequate representation** 44% of the board consists of independent directors (4 out of 9). **Participation of board members: Active** Of the 4 meetings done during the fiscal, attendance rate was strong given that majority of the independent directors had attended all the 4 meetings. **Internal financial controls:** Adequate

Note: Data available on the Standalone entity.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Auto Components & Equipments
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Auto Components	Auto Components & Equipments

Incorporated in 1961, Bharat Forge Limited (BFL) is the flagship company of the Kalyani Group providing engineering solutions for diverse automotive and industrial applications. It is India's one of the largest forging company with forging-based engine and chassis components with focus on crankshafts and front-axle beams, largest exporter of auto components and amongst the leading manufacturers of industrial components. It has a diversified global customer base including the top five CV and PV manufacturers in the world. BFL's customer base includes virtually all major global automotive OEM and tier-I supplier. It also manufactures critical components for wind, hydro and nuclear applications; provides critical components for defence and aerospace. It is also engaged in manufacturing critical, high-end construction and mining components and railway engine manufacturing. In FY24, the company derived 58% of revenue in the Indian business from export markets. On consolidated basis, the company derived 75.6% of the revenues in FY24 from outside India. BFL has 18 manufacturing plants spread across India, Germany, Sweden, France and North America. The company's business broadly comprises two segments – (i) auto components (~55% of standalone revenue) and (ii) nonautomotive components (~45% of standalone revenue).

Brief Consolidated Financials (₹ crore)	FY2023 (A)	FY2024 (A)	H1FY2025 (UA)
Total operating income	12806.28	15561.75	7794.65
PBILDT	1667.60	2442.04	1388.33
PAT	508.39	910.16	417.87
Overall gearing (times)	1.14	1.16	-
Interest coverage (times)	5.58	4.97	5.95

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures	INE465A08012	11-Aug-2020	5.97	06-Aug-2025	500.00	CARE AA+; Stable
Debentures-Non Convertible Debentures	INE465A08020	20-Apr-2022	5.80	18-Apr-2025	200.00	CARE AA+; Stable
Fund-based - LT-Working Capital Limits		-	-	-	2700.00	CARE AA+; Stable
Non-fund-based - ST-BG/LC		-	-	-	700.00	CARE A1+
Term Loan-Long Term		-	-	01-04-2028	200.00	CARE AA+; Stable

Note: ₹250 crores from Debentures-NCD (INE465A08012) has been repaid.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Working Capital Limits	LT	2700.00	CARE AA+; Stable	-	1)CARE AA+; Stable (22-Dec-23)	1)CARE AA+; Stable (23-Dec-22)	1)CARE AA+; Stable (28-Jan-22)
2	Non-fund-based - ST-BG/LC	ST	700.00	CARE A1+	-	1)CARE A1+ (22-Dec-23)	1)CARE A1+ (23-Dec-22)	1)CARE A1+ (28-Jan-22)
3	Debentures-Non Convertible Debentures	LT	700.00	CARE AA+; Stable	-	1)CARE AA+; Stable (22-Dec-23)	1)CARE AA+; Stable (23-Dec-22)	-
4	Term Loan-Long Term	LT	200.00	CARE AA+; Stable	-	1)CARE AA+; Stable (22-Dec-23)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities Not applicable.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No.	Name of the entity	Extent of consolidation	Rationale for consolidation
A	**Direct & indirect Subsidiaries**		
1	Bharat Forge Global Holding GmbH and its wholly owned subsidiaries	Full consolidation	Subsidiary, Operational & management linkages
1.1	Bharat Forge CDP GmbH and its wholly owned subsidiaries		
	Bharat Forge Daun GmbH		
1.2	Bharat Forge Holding GmbH and its wholly owned subsidiaries		
	Bharat Forge Aluminiumtechnik GmbH		
1.3	Mecanique Generale Langroise		
1.4	Bharat Forge Kilsta AB		
2	Bharat Forge International Limited		
3	Bharat Forge America Inc. and its wholly owned subsidiaries		
3.1	Bharat Forge PMT Technologies LLC		
3.2	Bharat Forge Tennessee Inc		
3.3	Bharat Forge Aluminium USA, Inc		
4	Indigenous IL Limited @@		
5	BF Infrastructure Limited and its subsidiaries		
5.1	BFIL CEC-JV		
5.2	Ferrovia Transrail Solutions Private Limited		
6	Kalyani Strategic Systems Limited and its wholly owned subsidiaries		
6.1	Kalyani Rafael Advanced Systems Pvt Ltd		
6.2	Kalyani Strategic Systems Australia Pty Limited#		
6.3	Sagar Manas Technologies Ltd		
6.4	Zorya Mashproekt India Private Limited (w.e.f. January 24, 2024)		
7	Kalyani Powertrain Limited and its subsidiaries		
7.1	Kalyani Mobility INC		
7.2	Tork Motors Private Limited and its wholly owned subsidiary		
	Lycan Electric Pvt Ltd		
7.3	Electroforge Limited		
8	BF Industrial Solutions Limited and its wholly owned subsidiaries		
8.1	BF Industrial Technology & Solutions Ltd		
	Sanghvi Europe B.V		
8.2	JS Auto Cast Foundry India Pvt Ltd		
9	Kalyani Lightweighting Technology Solutions Ltd		
B	**Associates**		
10	Talbahn GmbH (not material for consolidation)	Equity method	Associates
11	Aeron Systems Private Limited		
12	Avaada MHVidarbha Pvt Ltd		
C	**Joint Ventures**		
13	Refu Drive GmbH	Equity method	Joint venture
13.1	Refu Drive India Pvt Ltd		

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Ranjan Sharma Senior Director **CARE Ratings Limited** Phone: +91-22-6754-3453 E-mail: Ranjan.sharma@careedge.in Pulkit Agarwal Director **CARE Ratings Limited** Phone: +91-22-6754 3505 E-mail: pulkit.agarwal@careedge.in Hitesh Avachat Associate Director **CARE Ratings Limited** Phone: +91-22-675 43510 E-mail: hitesh.avachat@careedge.in

About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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