

J C BHALLA & CO.
CHARTERED ACCOUNTANTS

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**CERTIFICATE ON LOANS AND ADVANCES AVAILED BY THE COMPANY AND
THE LOANS AND ADVANCES MADE BY THE COMPANY**

To,

The Board of Directors
Bonfiglioli Transmissions Limited
Plot No. AC7-AC11, SIDCO Industrial Estate
Thirumudivakkam
Kancheepuram - 600132
Tamil Nadu, India

and

Axis Capital Limited
1st Floor, Axis House
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Maharashtra, India

BNP Paribas
BNP Paribas House
1 North Avenue, Maker Maxity
Bandra - Kurla Complex, Bandra East
Mumbai 400-051

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

Jefferies India Private Limited
Level 16, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India

(Axis Capital Limited, BNP Paribas, ICICI Securities Limited, Jefferies India Private Limited are collectively referred to as the "Book Running Lead Manager" or the "BRLM")

Dear Sir/Madam,

Re: Proposed initial public offering of equity shares (the "Equity Shares") of Bonfiglioli Transmissions Limited (the "Company" and such offering, the "Offer")

In relation to the Company and its affiliates, we, J.C. Bhalla & Co., Chartered Accountants, are an independent firm of chartered accountants. We have received a request from the Company to provide certain confirmation in relation to the (a) loans, advances and working capital



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facilities availed from banks/institutions and any other financial indebtedness of the Company; and (b) loans and advances made by the Company.

We have reviewed the (a) restated financial statements of the Company as of and for the Six-months period ended June 30, 2026 and June 30, 2025 and the financial years ended December 31, 2025, December 31, 2024 and December 31, 2023 ("**Review Period**") prepared in accordance with the Indian Accounting Standard ("**Ind AS**"), the Guidance Note on Reports in Company's Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India and the Companies Act, 2013, as amended, and restated by the statutory auditors of the Company, in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**SEBI ICDR Regulations**") ("**Restated Financial Statements**") and its related trail balances; (b) documents pertaining to the financial indebtedness of the Company, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, memoranda of deposit (if any), other letters and correspondence between the lenders and the Company; (c) documents and loan agreements pertaining to the loans and advances made by the Company (d) documents pertaining to balance confirmations received from relevant lenders, for the purpose of issuing this certificate; (e) minutes of the meetings of the Board of Directors of the Company, minutes of annual general meetings and extraordinary general meetings of the Company, minutes of the meetings of various committees of the board of directors of the Company; and (f) return of charge filed by the Company with Registrar of Companies, relevant forms and documents filed with the relevant Registrar of Companies, trial balance as on June 30, 2026.

Based on the aforementioned procedures, our verification of the relevant documents and confirmations received from the management of the Company, we hereby certify and confirm that:

- (a) the information provided in **Annexure A** is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead and adequate to enable investors to make a well-informed decision.
- (b) Further, we confirm that as on June 30, 2026, except as stated in **Annexure A**, there are no other loans or facilities availed by the Company or any guarantee extended by the Company.
- (c) We also confirm that, as on the date of this letter, none of the banks or institutions from whom the Company have availed of debt facilities, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.
- (d) Further, we hereby confirm that the details of letter of comfort provided by the Promoter (i.e. Bonfiglioli S.p.A.) in relation to borrowing of the Company as set out in **Annexure B** is true and correct.
- (e) The financial indebtedness including summary of the borrowings sanctioned to the Company and outstanding, as of June 30, 2026 is stated in **Annexure C**. We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.



- (f) We confirm that the information provided in **Annexure D** in relation to the loans and advances made by the Company as at June 30, 2026 is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. Further, we confirm that the loans and advances from the Company to Group Company of the Company were given on an arms' length basis and they have not received any benefits which third parties would not have received had the loans or advances been given to such third parties.

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,' issued by the Institute of Chartered Accountants of India ("ICAI"). We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the updated draft red herring prospectus, red herring prospectus along with the abridged prospectus, prospectus and any other material used in connection with the Offer (together, the "Offer Documents") which may be filed by the Company with Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), Registrar of Companies, Tamil Nadu at Chennai (the "RoC") and / or any other regulatory or statutory authority.

We hereby consent (i) to our name J.C. Bhalla & Co., Chartered Accountants and the aforementioned details being included in the Offer Documents; and (ii) to the submission of this certificate to any regulatory / statutory/ governmental authority, stock exchanges, any other authority as may be required and/or for any other litigation purposes and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law. We also consent to the inclusion of this certificate as a part of 'Material Contracts and Documents for Inspection' in connection with the Offer, which will be available for public for inspection from the date of filing of the red herring prospectus until the Bid/Offer Closing Date.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation and due diligence of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

This certificate can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to applicable legal requirements.

We undertake to immediately communicate, in writing, any changes to the above information/ confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication



from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours sincerely,

For J C Bhalla & Co.
Chartered Accountants
ICAI Firm Registration No. 001111N



(Akhil Bhalla)
Partner
Membership No. 505002
UDIN:26505002AFLDIN1632



Date : October 09, 2026

Encl: Annexure A, B, C and D

CC:

Khaitan & Co
10th, 13th & 14th Floors, Tower 1C
One World Centre
841, Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India

Shardul Amarchand Mangaldas & Co.
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

Prestige Sterling Square
Madras Bank Road, Off Lavelle Road
Bengaluru 560 001
Karnataka, India

Linklaters Singapore Pte. Ltd.
One George Street, #17-01
Singapore - 049 145

Annexure A

(₹ in million)

Nature of Borrowing		Amount Sanctioned	Amount Outstanding as on June 30, 2026
Secured Borrowings			
Fund-based			
Working capital facilities		1,300.00 [#]	-
Non-fund based			
Bank Guarantee/Letter of Credit		52.00 ^{\$}	58.28 [^]
Total Secured Borrowings (A)		1,352.00	58.28
Unsecured Borrowings			
Fund-based			
Working capital facilities		525.00 [*]	-
Non-fund based			
Bank Guarantee/Letter of Credit		-	-
Total Unsecured Borrowings (B)		525.00	-
Total Borrowings (A+B)		1,877.00	58.28

[#] Fund-based facility also consists of sublimit of non-fund facilities in form of letter of credit and bank guarantee of Rs. 200 million and Rs. 400 million respectively.

^{*} Fund-based facility also consists of sublimit of non-fund facilities in form of bank guarantees and Export Credit Finance of Rs. 525 million each.

^{\$} Excludes sanction amounts pertaining to sub-limits of fund-based facilities.

[^] The outstanding amount also consist of Sublimit w.r.t Bank Guarantee from fund based limit and it was utilized, hence Outstanding amount shown above is higher than sanctioned limit.



The principal terms of the facilities available to the Company are given below:

1. **Tenor:** The tenor of the sanctioned working capital facilities available to the Company ranges from on demand to 270 days. Further, sanctioned bank guarantee facility ranges from 180 days to 84 months (including 12 months invocation period).
2. **Interest:** The applicable rate of interest for the facilities available to the Company are typically limited to benchmark rates, such as the marginal cost of lending rate and London interbank offered rate, of a specified lender over a specific period of time plus a specified spread per annum and generally range from 7.50% p.a. to 8.95% p.a. For certain facilities, the rate of interest would be determined at the time of draw-down or as mutually agreed upon between the lender and the Company.
3. **Prepayment:** Certain facilities available to the Company have prepayment provisions which allow prepayment of the outstanding loan amount and may carry a prepayment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents. The prepayment penalty as per the terms of certain facility agreements typically ranges from 0.50% to 2.00% of the prepaid amount or of the outstanding principal amount.
4. **Repayment:** The facilities available to the Company are repayable as per the terms of repayment in the relevant facility documents, which may be as equated monthly instalments or on demand.
5. **Penal interest:** The Company would be required to pay additional interest to the lenders for non-compliance with the sanction terms including for defaults in the payment of interest or other monies due and payable and contravention or non-compliance of non-financial terms. This additional interest is charged as per the terms of the facility agreements and typically ranges from 1.00% p.a. to 8.00% p.a. over the applicable interest rate.
6. **Security:** In terms of the borrowings of the Company where security needs to be created, they are typically required to create security by way of charge on their current and future current assets.
7. **Restrictive covenants:** As per the terms of the facility documents, certain corporate actions for which the Company requires prior written consent or intimation of the lenders includes, amongst other things, amending and/or modifying the constitutional documents of the Company, including but not limited to the memorandum of association and articles of association to reflect, inter alia, modifications in the authorized share capital and other Offer related modifications.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by the Company with its respective lenders, and the same may lead to consequences other than those stated above.



ANNEXURE B

Loan taken by	Bank Name	Nature of borrowings	Letter of comfort provided by	Relationship
Bonfiglioli Transmissions Limited	J.P. Morgan Chase Bank, N.A., India	Working capital demand loan	Bonfiglioli SpA	Promoter



ANNEXURE C

Category of borrowing	Whether main limit or Sub limit	Sanctioned amount (Rs. in million)	Outstanding amount (Rs. in million) as on June 30, 2026
Cash Credit	Main Limit	1,300.00	-
Pre-Shipment Finance	Sublimit of Cash credit	550.00	-
Post-Shipment Finance	Sublimit of Cash credit	550.00	-
Working Capital Demand Loan	Sublimit of Cash credit	1,300.00	-
Letter of Credit	Sublimit of Cash credit	200.00	-
Bank Guarantee	Sublimit of Cash credit	400.00	58.28
Bank Guarantee	Main Limit	2.00	-
Working Capital Demand Loan in Foreign Currency	Sublimit of Cash credit	250.00	-
Export Packing credit / Packing Credit Foreign Currency	Sublimit of Cash credit	250.00	-
Foreign Bill Discounting / Post Shipment Credit in Foreign Currency	Sublimit of Cash credit	250.00	-
Standby Letter of Credit for Buyers Credit	Sublimit of Cash credit	250.00	-
Letter of Credit	Main Limit	50.00	-
Bank Guarantee	Sublimit of letter of credit	50.00	-
Foreign Currency Demand Loan	Sublimit of Cash credit	500.00	-
Running Export Packing Credit / Running Pre shipment Credit in Foreign Currency	Sublimit of Cash credit	400.00	-
Foreign Bills Purchased / Foreign Bill Discounted / Export Bill Rediscounting	Sublimit of Cash credit	400.00	-
Working Capital Demand Loan	Main Limit	525.00	-
Bank Guarantee	Sublimit of Working Capital Demand Loan	525.00	-
Export credit finance	Sublimit of Working Capital Demand Loan	525.00	-
TOTAL		1,877.00*	58.28

*Includes sanction amount pertaining to main limit.



ANNEXURE D

1. Long-term loans and advances

(in ₹ million)

Name of the Group Company, from whom the balance is due	Nature of interest of the Director / Promoter in the entity (if applicable)	Outstanding balance as on June 30, 2026	Outstanding balance as on December 31, 2025	Outstanding balance as on December 31, 2024	Outstanding balance as on December 31, 2023
Bonfiglioli Technology Space Pvt Ltd.	Common director and promoter	69.30	69.30	92.40	NIL

2. Short-term loans and advances

(in ₹ million)

Name of the Group Company, from whom the balance is due	Nature of interest of the Director / Promoter in the entity (if applicable)	Outstanding balance as on June 30, 2026	Outstanding balance as on December 31, 2025	Outstanding balance as on December 31, 2024	Outstanding balance as on December 31, 2023
Bonfiglioli Technology Space Pvt Ltd.	Common director and promoter	60.91	49.95	126.11	NIL

