

Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Bharat Gears Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Bharat Gears Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 7 of the statement, which describes the uncertainties and the impact of continuing slowdown in the automotive industry and COVID-19 pandemic on the Company's operations and financial performance as assessed by the Management of the Company. The estimates as at the approval of the Statement may differ based on the ongoing impact of the pandemic, improvement in the economy and the automotive sector.

Our conclusion is not modified in respect of this matter.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

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per Aruna Kumaraswamy
Partner
Membership No.: 219350

UDIN: 20219350AAAABE4520
Place : Mumbai
Date : August 13, 2020

BHARAT GEARS LIMITED

CIN: L29130HR1971PLC034365

Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121003 (Haryana)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2020

(₹ in lakhs)

	Particulars	Quarter ended			Previous year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(Unaudited)	(Audited) Refer note 6	(Unaudited)	(Audited)
1	Revenue from operations	4,926	11,061	11,488	46,312
2	Other income (Refer note 4)	50	213	40	488
3	Total income (1+2)	4,976	11,274	11,528	46,800
4	Expenses				
	(a) Cost of materials and components consumed	1,967	5,655	5,373	22,245
	(b) Changes in inventories of finished goods and work-in-progress	704	(3)	522	1,597
	(c) Employee benefits expense (Refer note 5)	1,471	1,984	2,412	8,980
	(d) Finance costs	548	512	556	2,165
	(e) Depreciation and amortisation expense	626	655	665	2,669
	(f) Other expenses	1,202	2,809	3,080	11,626
	Total expenses	6,518	11,612	12,608	49,282
5	Profit/(loss) before tax (3-4)	(1,542)	(338)	(1,080)	(2,482)
6	Tax expense				
	1. Current tax	-	-	(978)	-
	2. Excess provision for tax relating to prior years	-	(50)	-	(50)
	3. Deferred tax	(228)	(70)	601	(555)
7	Net profit/(loss) for the period (5-6)	(1,314)	(218)	(703)	(1,877)
8	Other comprehensive income/(loss)				
	(i) Items that will not be reclassified to profit or loss	(13)	(10)	(18)	(64)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	-	6	(9)
9	Total comprehensive income/(loss) for the period (7+8)	(1,324)	(228)	(715)	(1,950)
10	Paid-up equity share capital (Face value ₹ 10/- per share)	931	931	931	931
11	Other equity (excluding revaluation reserve)				7027
12	Earnings per share [face value of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)	*(14.12)	*(2.34)	*(7.86)	(20.38)

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Notes:

- The above Unaudited Financial Results have been reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at their respective meetings held on 13 August, 2020.
- The statutory auditors of the Company have carried out limited review of the aforesaid Unaudited Financial Results.
- The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. As such there is no other separate reportable segment as defined by Ind AS 108 - "Operating Segments".
- Other income includes:

(₹ in lakhs)

Particulars	Quarter ended			Previous year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	(Unaudited)	(Audited) Refer note 6	(Unaudited)	(Audited)
Net exchange gain	34	195	17	399

- Employee benefits expense includes:

(₹ in lakhs)

Particulars	Quarter ended			Previous year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	(Unaudited)	(Audited) Refer note 6	(Unaudited)	(Audited)
Voluntary retirement scheme expense	129	9	-	145

- The figures of the quarter ended 31 March, 2020 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures upto 31 December, 2019, which were subjected to limited review by statutory auditors.

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7. The Company's operations have been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption to the production due to the shutdown of all its plant facilities and offices due to the nationwide lockdown. The Company has since obtained requisite permissions and restarted its manufacturing plants and its offices. The operation and results for the quarter are, therefore, not comparable with those for the previous quarters.

The Company has outstanding term loans amounting to Rs.10,636 lakhs as at 30 June, 2020, out of which Rs.2,335 lakhs is due for repayment in twelve months. The Company has obtained moratorium from lenders till August and is also in discussions with lenders for the restructuring of term loans.

The Company had made an assessment of the impact of the pandemic on its operations and the carrying value of current and non-current assets, based on the internal and external sources of information and indicators of economic forecasts existing as at the date of approval of these financial results. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at 30 June, 2020.

The estimates used for assessing the carrying value of assets and liabilities at 30 June, 2020 during the COVID-19 pandemic may undergo a change as these are dependent on the improvement in the economy and automotive sector. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

8. Previous period's figures have been regrouped/reclassified wherever necessary.

For and on behalf of the Board of Directors

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PAUL KANWAR

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SURINDER PAUL KANWAR
Chairman & Managing Director

Date : 13 August, 2020