

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, 2021 (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.

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: 21219350AAAABC6551

Place: Mumbai

Date: August 12, 2021

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, 2021

(₹ in lakhs)

	Particulars	Quarter ended			Previous year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Unaudited)	(Audited) Refer note 7	(Unaudited)	(Audited)
1	Revenue from operations (Refer note 4)	16,468	17,403	4,926	50,303
2	Other income (Refer note 5)	153	(7)	50	137
3	Total income (1+2)	16,621	17,396	4,976	50,440
4	Expenses				
	(a) Cost of materials and components consumed	8,554	9,533	1,967	25,599
	(b) Changes in inventories of finished goods and work-in-progress	(727)	(706)	704	(703)
	(c) Employee benefits expense (Refer note 6)	2,554	2,323	1,471	8,247
	(d) Finance costs	489	480	548	2,267
	(e) Depreciation and amortisation expense	578	581	626	2,415
	(f) Other expenses	4,313	4,861	1,202	13,580
	Total expenses	15,761	17,072	6,518	51,405
5	Profit/(loss) before tax (3-4)	860	324	(1,542)	(965)
6	Tax expense				
	1. Current tax	60	-	-	-
	2. Deferred tax	161	15	(228)	(227)
	3. (Excess)/Short provision for tax relating to prior years	-	32	-	32
7	Net profit/(loss) for the period (5-6)	639	277	(1,314)	(770)
8	Other comprehensive income/(loss)				
	(i) Items that will not be reclassified to profit or loss	42	165	(13)	127
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(11)	(59)	3	(32)
9	Total comprehensive income/(loss) for the period (7+8)	670	383	(1,324)	(675)
10	Paid-up equity share capital (Face value ₹ 10/- per share)	931	931	931	931
11	Other equity (excluding revaluation reserve)				6450
12	Earnings per share [face value of ₹ 10/- each (* not annualised)] Basic and diluted (₹)	*6.87	*2.98	*(14.12)	(8.27)

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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 12 August, 2021.
- 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".

- Merchandise Exports from India Scheme (MEIS) has been replaced by Remission of Duties and Taxes on Exported Products scheme (RoDTEP) w.e.f. 01 January, 2021. The Company is eligible for claim under the new scheme, however pending Government notification on rates, Company has not accrued income in respect of new scheme for the period 01 January, 2021 to 30 June, 2021.

The income recognised based on MEIS for the quarter ended 30 June, 2021, 31 March, 2021 and for the quarter ended 30 June, 2020 is ₹ Nil, ₹ Nil and ₹ 52 lakhs respectively.

- Other income includes:

(₹ in lakhs)

Particulars	Quarter ended			Previous year ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	(Unaudited)	(Audited) Refer note 7	(Unaudited)	(Audited)
Net exchange gain	136	(32)	34	57

- Employee benefits expense includes:

(₹ in lakhs)

Particulars	Quarter ended			Previous year ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	(Unaudited)	(Audited) Refer note 7	(Unaudited)	(Audited)
Voluntary retirement scheme expense	25	-	129	195

- The figures of the quarter ended 31 March, 2021 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, 2020, which were subjected to limited review by statutory auditors.

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8. The Company has considered the possible impact of COVID-19 pandemic on its operations, liquidity position and recoverability of its asset balances at 30 June, 2021 based on the internal and external information up to the date of approval of these financial results. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.
9. The Company had lodged a compensation claim with the Mumbai Metropolitan Region Development Authority (MMRDA) in earlier years in respect of costs incurred towards shifting/re-location of facilities situated on the Company's land acquired by the Authority towards proposed road widening projects. Subsequent to the quarter end, the Company has received relevant approvals from the authorities sanctioning the compensation amounting to ₹ 514 lakhs, and has also incurred costs in relation to the same resulting in a net income of ₹ 360 lakhs (gross of tax impact). Accordingly, the compensation claim will be accounted in the quarter ended 30 September, 2021.
10. Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September, 2020. However, the date from when the Code will become applicable and the Rules have not yet been notified. The Company will assess the impact of the Code and account for the same once the effective date and the rules are notified.
11. Previous period's figures have been regrouped/reclassified wherever necessary.

Date : 12 August, 2021

For and on behalf of the Board of Directors

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PAUL
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SURINDER PAUL KANWAR
Chairman & Managing Director