

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BHARAT GEARS LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended 31 March, 2026 and (b) reviewed the Financial Results for the quarter ended 31 March, 2026, (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended 31 March, 2026" of **BHARAT GEARS LIMITED** (the "Company"), (the "Statement"), 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 "LODR Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended 31 March, 2026:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended 31 March, 2026

With respect to the Financial Results for the quarter ended 31 March, 2026, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended 31 March, 2026, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended 31 March, 2026

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended 31 March, 2026 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Board of Directors' Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended 31 March, 2026 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended 31 March, 2026 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the LODR Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended 31 March, 2026

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended 31 March, 2026, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

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- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the LODR Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Financial Results for the quarter ended 31 March, 2026

We conducted our review of the Financial Results for the quarter ended 31 March, 2026, 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 SAs specified under section 143(10) of the Act 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.

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**Deloitte
Haskins & Sells LLP**

Other Matters

The Statement includes the results for the Quarter ended 31 March, 2026, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Sampada S Narvankar
(Partner)
(Membership No.102911)
UDIN: 26102911VDKRTA6768

Mumbai, 30 May, 2026

BHARAT GEARS LIMITED						
CIN: L29130HR1971PLC034365						
Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121003 (Haryana)						
STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2026						
(₹ in lakhs)						
	Particulars	Quarter ended			Current year ended	Previous year ended
		31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
		(Unaudited) Refer note 5	(Unaudited)	(Unaudited) Refer note 5	(Audited)	(Audited)
1	Revenue from operations	21028.80	18934.82	17486.48	78417.48	64753.19
2	Other income	213.52	51.95	66.34	632.75	251.33
3	Total income (1+2)	21242.32	18986.77	17552.82	79050.23	65004.52
4	Expenses					
	(a) Cost of materials and components consumed	10658.45	9851.64	8720.39	41230.35	35447.91
	(b) Changes in inventories of finished goods and work-in-progress	483.28	72.88	544.82	132.14	(1136.76)
	(c) Employee benefits expense (Refer note 3)	3470.23	3444.10	2933.58	13154.19	11939.31
	(d) Finance costs	339.32	336.93	405.17	1400.41	1708.07
	(e) Depreciation and amortisation expense	531.18	571.90	574.51	2257.03	2363.14
	(f) Other expenses	5076.20	4367.62	4028.52	18674.23	15973.22
	Total expenses	20558.66	18645.07	17206.99	76848.35	66294.89
5	Profit/(Loss) before exceptional items and tax (3-4)	683.66	341.70	345.83	2201.88	(1290.37)
6	Exceptional items (Refer note 4)	-	-	-	-	1683.77
7	Profit/(Loss) before tax (5+6)	683.66	341.70	345.83	2201.88	393.40
8	Tax expense					
	(a) Current tax expense/(credit)	205.10	76.22	-	522.17	-
	(b) Deferred tax charge/(credit)	(28.16)	8.64	174.50	29.30	74.59
	Total tax expense	176.94	84.86	174.50	551.47	74.59
9	Profit/(Loss) for the period (7-8)	506.72	256.84	171.33	1650.41	318.81
10	Other comprehensive income/(loss)					
	Items that will not be reclassified to profit or loss					
	- Re-measurement gain/(loss) on defined benefits obligations	211.23	5.52	(106.01)	240.01	(120.06)
	- Income tax effect	(53.18)	(1.38)	26.44	(60.41)	30.22
	Other comprehensive income/(loss) for the period (net of tax)	158.05	4.14	(79.57)	179.60	(89.84)
11	Total comprehensive income/(loss) for the period (9+10)	664.77	260.98	91.76	1830.01	228.97
12	Paid-up equity share capital (Face value ₹ 10/- per share)	1535.51	1535.51	1535.51	1535.51	1535.51
13	Other equity				11583.40	9753.39
14	Earnings per share (face value of ₹ 10/- each (* not annualised)) Basic and diluted (₹)	*3.30	*1.68	*1.12	10.75	2.08

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Notes:

1. The above Financial Results have been reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at their respective meeting held on 30 May, 2026.
2. 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 Indian Accounting Standard 108 - "Operating Segments".
3. The Government of India notified the four Labour Codes which are effective from 21 November, 2025. The Company has assessed the incremental impact of the changes on the basis of best information available, consistent with the guidance provided by Institute of Chartered Accountants of India. The incremental impact of these changes is not material and have been recognized during the year ended 31 March, 2026.
4. During the year ended 31 March, 2025, the Company had sold a part of land situated at Mumbra plant for a consideration of ₹1710.00 lakhs resulting in a net gain of ₹1683.77 lakhs, after adjusting cost of acquisition and sales related expenses, which has been disclosed as an exceptional item.
5. The figures of the quarter ended 31 March, 2026 and 31 March, 2025 are the balancing figures between audited figures in respect of the full financial years and the unaudited published year-to-date figures upto 31 December for respective years, which were subjected to limited review.
6. During the year, the Company received a letter from a fictitious person and a complaint from an investor and shareholder raising concerns regarding the citizenship status of Mr. Surinder Paul Kanwar, Chairman and Managing Director (CMD) of the Company. The Board of Directors, at its meeting held on 23 January, 2026, based on a comprehensive independent legal opinion obtained by the Company, concluded that pending any final direction, order, or outcome issued by the Central Government, the citizenship status of Mr. Surinder Paul Kanwar continues to remain unchanged, and he shall continue to discharge his responsibilities as Chairman and Managing Director of the Company.

Subsequent to the year ended 31 March, 2026, CMD has received a communication from the Regional Passport Office regarding the revocation of his passport, against which he has filed an appeal with the competent authority. The outcome of the said appeal is pending as on date.

7. Statement of Assets and Liabilities:

Particulars		(₹ in lakhs)	
		As at 31.03.2026 (Audited)	As at 31.03.2025 (Audited)
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	10122.93	10976.74	
(b) Capital work-in-progress	386.11	233.77	
(c) Intangible assets	125.93	117.16	
(d) Right-of-use assets	1338.96	1752.88	
(e) Financial assets			
(i) Investments	137.79	129.73	
(ii) Loans	119.9	117.33	
(iii) Others	254.87	300.23	
(f) Deferred tax assets (net)	945.03	1034.74	
(g) Other non-current assets	676.93	528.97	
Total non-current assets	14108.45	15191.55	
2 Current assets			
(a) Inventories	10119.74	9320.5	
(b) Financial assets			
(i) Trade receivables	11375.87	9687.07	
(ii) Cash and cash equivalents	6.07	6.48	
(iii) Bank balances other than (ii) above	767.77	927.77	
(iv) Loans	64.08	55.5	
(v) Others	159.26	107.04	
(c) Current tax assets	31.02	108.8	
(d) Other current assets	3446.06	1036.05	
Total current assets	25969.87	21249.21	
Total assets	40078.32	36440.76	
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	1535.51	1535.51	
(b) Other equity	11583.4	9753.39	
Total equity	13118.91	11288.9	
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	1721.73	3338.44	
(ia) Lease liabilities	1092.98	1433.59	
(b) Provisions	2491.16	2514.39	
(c) Other non-current liabilities	615.06	376.76	
Total non-current liabilities	5920.93	7663.18	
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4094.17	2795.06	
(ia) Lease liabilities	380.43	399.16	
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	2797.24	808.17	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	12126.02	11903.37	
(iii) Other financial liabilities	527.42	439.2	
(b) Other current liabilities	393.32	667.29	
(c) Provisions	522.69	476.43	
(d) Current tax liabilities (net)	197.19	-	
Total current liabilities	21038.48	17488.68	
Total equity and liabilities	40078.32	36440.76	



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8. Statement of Cash Flows:

(* in lakhs)

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
	(Audited)	(Audited)
A. Cash flows from operating activities:		
Net profit/(loss) before tax	2201.88	393.40
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expense	2257.03	2363.14
(Gain)/loss on disposal of property, plant and equipment (net)	(3.97)	(17.75)
Exceptional items (Refer Note 4)	-	(1683.77)
Finance costs	1400.41	1708.07
Interest income	(91.46)	(105.86)
Rent expenses	(2.44)	2.24
Employee benefits expense	(0.54)	6.44
Liabilities/provisions no longer required written back	(90.44)	(32.08)
Other amounts written off	37.32	44.88
Gain on valuation of mutual funds measured at fair value through profit or loss	(8.06)	(9.68)
Unrealised exchange (gain)/loss (net)	(131.50)	(15.74)
Operating profit before working capital changes	5568.23	2653.29
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(828.74)	(1163.05)
Trade receivables	(1536.88)	1953.27
Financial assets - loans	(17.35)	24.11
Financial assets - others	(15.95)	286.27
Other assets	(2514.06)	230.13
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	2303.79	616.12
Other financial liabilities	13.22	92.48
Other current and non-current liabilities	(35.67)	75.82
Provisions	263.04	18.63
Cash generated from operations	3199.63	4787.07
Income tax (paid)/refund (net)	(255.02)	110.28
Net cash flows from operating activities (A)	2944.61	4897.35

B. Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances)	(1095.52)	(1394.80)
Proceeds from sale of property, plant and equipments	25.08	39.84
Proceeds from sale of land (net of sales related expenses) (Refer Note 4)	-	1693.00
Bank balances not considered as cash and cash equivalents (net)	160.00	(225.51)
Interest received	106.75	117.41
Net cash flows from/(used in) investing activities (B)	(803.69)	229.94
C. Cash flows from financing activities:		
Repayment of long-term borrowings	(1331.78)	(3052.20)
Interest paid	(1138.84)	(1434.26)
Dividend paid	(0.15)	(0.01)
Payment of lease liabilities	(620.14)	(603.95)
Transaction cost for lease liabilities	-	(13.96)
Net cash flows from/(used in) financing activities (C)	(3090.91)	(5104.38)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(949.99)	22.91
Cash and cash equivalents at the beginning of the year	(2032.78)	(2047.17)
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(22.05)	(8.52)
Cash and cash equivalents at the end of the year	(3004.82)	(2032.78)
Cash and cash equivalents	6.07	6.48
Other bank balances (represents cash credit and packing credit)	(3010.89)	(2039.26)
Cash and bank balances	(3004.82)	(2032.78)

9. The Board of Directors have recommended a dividend of ₹ 1/- per share on equity shares of ₹ 10/- each of the Company (10%), subject to the approval of shareholders at the ensuing Annual General Meeting.

For and on behalf of the Board of Directors



SURINDER PAUL KANWAR
Chairman & Managing Director
DIN: 00033524

Place: Mumbai
Date: 30 May, 2026