

Corporate Governance Report

For the Year ended 31 March, 2020

[Pursuant to Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Regulations")]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance at Bharat Gears Limited takes care of overall well-being, sustainability and transparency of the system and takes into account the stakeholders' interest in every business decision. Corporate Governance is a combination of voluntary practices and compliances of laws and regulations leading to effective control and management of the Organization and its valuable resources through effective and transparent business conduct, integrating communication, integrity and accountability towards its stakeholders.

The Company is committed to pursue growth by adhering to the highest national standards of Corporate Governance. The Company's philosophy on Corporate Governance is based on the following principles:

- Lay solid foundations for management.
- Promote ethical and responsible decision-making.
- Structure the Board to add value.
- Encourage enhanced performance.
- Safeguard integrity in financial reporting.
- Respect the rights of the shareholders.
- Recognise the legitimate interest of shareholders.
- Remunerate fairly and responsibly.
- Recognise and manage business risks.
- Make timely and balanced disclosures.
- Legal and statutory compliances in its true spirit.

The Board of Directors ("the Board") is committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our corporate governance practices, under which we strive to maintain an

effective, informed and Independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices.

Your Company is following transparent and fair practices of good Corporate Governance and its constant endeavour is to continually improve upon those practices. The Company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.bharatgears.com.

2. GOVERNANCE STRUCTURE

The Company's Governance comprises a twofold layer, the Board of Directors and the Committees of the Board at the apex level and the Management of the Company at an operational level. This brings about a homogenous blend in governance as the Board lays down the overall corporate objectives and provides direction and independence to the Management to achieve these objectives within a given framework. This professionally managed process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

3. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board which includes one Woman Director in compliance of Regulation 17(1) of the Regulations. As on 31 March, 2020, the Board consists of 7 (Seven) members, the Chairman of the Board is an Executive Director and more than half of the strength of the Board consists of Non-Executive Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge, expertise

and experience that enables the Board to discharge its responsibilities efficiently and provide effective leadership to the business in line with the Company's present requirements.

There is no Nominee Director in the Company.

A brief profile of the members of the Board is also available on the Company's website i.e. www.bharatgears.com.

A. Board's definition of Independent Director

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

- a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;
- (ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
- c. who, apart from receiving Director's remuneration, has or had no pecuniary relationship or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. none of whose relatives—
 - (i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year;

Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;

- (ii) is indebted to the Company, its holding, subsidiary or associate Company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or directors of such holding Company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
- (iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- f. who, neither himself/herself nor any of his/her relatives —
 - (i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the current financial year;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - (A) a firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or

- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
- (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- g. who is not less than 21 years of age.
- h. who is not a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director.

It has been confirmed by all the Independent Directors of the Company that as on 31 March, 2020, they fulfill the criteria of being "Independent Director" as stipulated under Regulation 16 of the Regulations and are independent of the management. Further, the Independent Director(s) have declared that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

The **Table-1** gives Composition of the Board, Attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees.

Table-1

S.No.	Name of Director(s)	Category	No. of Board Meetings held/attended	Attendance at last AGM	No. of outside Directorships held ^A	No. of Memberships/Chairmanships in Board Committees ^B	
						Member	Chairman
1.	^C Mr. Surinder Paul Kanwar	Chairman and Managing Director - Promoter	5/5	Present	2	2	-
2.	^C Mr. Sameer Kanwar	Joint Managing Director - Promoter	5/4	Present	1	1	-
3.	Mr. W.R. Schilha	Non-Executive Independent Director	5/2	Present	-	-	-
4.	^D Mr. V.K. Pargal	Non-Executive Independent Director	5/4	Present	-	1	-
5.	^E Mr. N.V. Srinivasan	Non-Executive Director	5/4	Present	-	1	-
6.	Mr. Rakesh Chopra	Non-Executive Independent Director	5/5	Present	1	-	3
7.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	5/5	Present	-	1	-

The **Table-2** gives the details of Directorships of the aforesaid Directors in other listed Companies and the category of directorship.

Table-2

S.No.	Name of Director(s)	Category	Name of other Listed Company	Category of directorship in other Listed Company
1.	Mr. Surinder Paul Kanwar	Chairman and Managing Director	Raunaq EPC International Limited	Chairman and Managing Director
2.	Mr. Sameer Kanwar	Joint Managing Director	Raunaq EPC International Limited	Non-Executive Director
3.	Mr. W.R. Schilha	Non-Executive Independent Director	NIL	N.A.
4.	Mr. V.K. Pargal	Non-Executive Independent Director	NIL	N.A.
5.	Mr. N.V. Srinivasan	Non-Executive Director	NIL	N.A.
6.	Mr. Rakesh Chopra	Non-Executive Independent Director	Minda Corporation Limited	Non-Executive Independent Director
7.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	NIL	N.A.

^Aexcluding directorship in Private Limited Companies, alternate directorship, Companies registered under Section 8 of the Companies Act, 2013 and Foreign Companies.

^BFor the purpose of considering the limit of the Committees on which a Director can serve, all Public Limited Companies, whether listed or not, are included and all other Companies including Private Limited Companies, Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded and further, it includes Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only in terms of Regulation 26(1) of the Regulations. None of the Directors of your Company is a Member of more than 10 (Ten) Committees or is the Chairman of more than 5 (Five) Committees across all Public Limited Companies in which they are Directors. The Membership/Chairmanship also includes Membership/Chairmanship in Bharat Gears Limited.

^CMr. Surinder Paul Kanwar is the father of Mr. Sameer Kanwar.

Mr. Sameer Kanwar has been re-appointed as Joint Managing Director of the Company with effect from 01 June, 2018 for a period of 3 (Three) years. He is a member of Stakeholders' Relationship Committee of Raunaq EPC International Limited as on 31 March, 2019. Further, he has been inducted as a Member of the Stakeholders' Relationship Committee of the Company w.e.f. 01 April, 2019.

^DMr. V.K. Pargal holds 100 Equity Shares of the Company. No other Non-Executive Independent Director holds any shares and convertible instruments.

^EMr. N.V. Srinivasan is also providing technical advisory services to the Company in his individual capacity. Professional fees paid to him for Financial Year 2019-20 is ₹ 23,04,000/- (Rupees Twenty Three Lakhs Four Thousand Only). The Board is of the opinion that

such payments in the context of overall expenditure by the company is not significant.

Apart from this, no other Non-Executive Director is related to any other Director inter-se and has any material pecuniary relationships/transactions via-a-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

The terms of appointment of the Directors appointed at the Annual General Meeting of the Company held on 06 August, 2019 are available on the website of the Company i.e. www.bharatgears.com.

In terms of Regulation 17(1A) of the Regulations, the consent of the members has been obtained vide special resolution(s) for the appointment and continuation of Non Executive Directors who have attained the age of Seventy Five Years, upto their respective present tenure.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Directors that covers familiarizing the Directors about the nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities, and other relevant details by way of:

- *Convening of meetings of the Board of Directors of the Company during each financial year at different manufacturing plants of the Company including visit of the respective plant, direct interaction with the heads of production processes to provide a brief idea to the Directors of the production processes and operations of the Company.*
- *Circulation of an elaborated note on business operations with regard to the operations and financial position of the Company as at the end of each quarter with the Agenda of each Board Meeting.*

- Updating the Directors of any amendments in laws, rules and regulations as applicable on the Company through various presentations at the Board Meeting(s) in consultation with the Statutory Auditors, Internal Auditors and the Secretarial Auditors of the Company likewise the Companies Act, SEBI Laws, Listing Regulations and such other laws and regulations as may be applicable.
- Various presentations are conducted at meetings of the Board/Committees of the Board periodically to familiarize the Directors with the business performance, business strategy, operations and functions of the Company. Such presentations help Directors to understand the Company's Strategy, Operations, Market Competition, Organization Structure, Risk Analysis and such other areas.

The details of familiarization programme during the Financial Year 2019-20 are available on the official website of the Company i.e. www.bharatgears.com under the link i.e. <http://bharatgears.com/documents/details-of-familiarization-programme-for-Independent-directors-FY-19-20.pdf>

The **Table-3** gives the details of core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for Company to function effectively and those actually available with the Board.

Table-3

S.No.	Core skills/ expertise/ competencies	Available with the Board (YES/NO)	Name of Directors who have such Core skills/expertise/ competencies
1.	Knowledge of Core Business i.e. Automotive Gears	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. N.V. Srinivasan
2.	Plant Management	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra
3.	Strategic Planning	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra

4.	Product Development and Marketing	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. N.V. Srinivasan Mr. Rakesh Chopra
5.	Knowledge of Macro Environment vis-à-vis Industry	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Ms. Hiroo Suresh Advani
6.	Financial Literacy	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Ms. Hiroo Suresh Advani
7.	Ability to read Financial Statements	YES	Mr. Surinder Paul Kanwar Mr. Sameer Kanwar Mr. W.R. Schilha Mr. V.K. Pargal Mr. N.V. Srinivasan Mr. Rakesh Chopra Ms. Hiroo Suresh Advani

B. Board Meetings

During the financial year 2019-20, 5 (Five) Board Meetings were held on the following dates. The gap between any two meetings was not more than 120 (one hundred and twenty) days as mandated in Regulation 17(2) of the Regulations:-

- 30 May, 2019;
- 02 July, 2019;
- 06 August, 2019;
- 14 November, 2019; and
- 29 January, 2020

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director, Joint Managing Director and Chief Financial Officer and circulates the same

in advance to the Directors. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Wherever it is not possible to convene a Board Meeting, resolutions are passed by circulation in order to meet the business exigencies. Presentations are made to the Board on the business operations and performance of the Company. The minutes of the proceedings of the meetings of the Board of Directors are noted and the draft minutes are circulated amongst the members of the Board for their perusal. Comments, if any received from the Directors are also incorporated in the minutes, in consultation with the Chairman and Managing Director. The Minutes are signed by Chairman of the Board at the next meeting and signed minutes are circulated amongst the members of the Board for their perusal. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when considered necessary.

Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

C. Information supplied to the Board

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, extent to the applicability during the year as per Regulation 17(7) read with Schedule II of the Regulations.

- Annual Operating Plans and Budgets and any updates.
- Capital budgets and any updates.
- Quarterly, Half Yearly and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

The Board periodically reviews the compliance reports of all laws applicable to the Company prepared by the Company along with the declaration made by all the respective departmental heads and by the Chairman and Managing Director regarding compliance with all applicable laws.

4. BOARD COMMITTEES

A. Audit Committee

I. *Constitution and Composition*

In terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the Regulations, the "Audit Committee" comprises of the following Independent Directors, who have financial/accounting acumen to specifically look into internal controls and audit procedures. All the members are financially literate and have accounting and financial management expertise. The **Table-4** gives the composition of the Audit Committee and attendance record of members of the Committee:

Table-4

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Rakesh Chopra	Chairman	5/5
2.	Mr. V.K. Pargal	Member	5/4
3.	Ms. Hiroo Suresh Advani	Member	5/5
4.	*Mr. Surinder Paul Kanwar	Member	5/3*

*Mr. Surinder Paul Kanwar had been inducted as a member of the Audit Committee on 01 April, 2019 and ceased to be a member of the Committee w.e.f. 06 August, 2019. Accordingly, the Audit Committee had been reconstituted. During his tenure, 3 (Three) meetings of the Audit Committee had been held and he attended all the meetings.

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and the Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with the Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half-yearly and year to date un-audited and annual audited financials of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed and evaluated the internal control systems, Enterprise Risk Management system and internal audit reports.

Mr. Prashant Khattri, Head (Legal) and Company Secretary of the Company acted as Secretary to the Audit Committee Meetings as aforesaid.

The Chairman of the Audit Committee was present at the last Annual General Meeting to answer the queries of the shareholders to their satisfaction.

II. Audit Committee Meetings

During the year, 5 (Five) meetings of the Audit Committee were held on the following dates in terms of Regulation 18 of the Regulations:

- 29 May, 2019;
- 02 July, 2019;
- 05 August, 2019;
- 14 November, 2019; and
- 29 January, 2020

III. Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in Regulation 18 of the Regulations which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. Role of Audit Committee

The role of the Audit Committee in terms of Regulation 18 of the Regulations includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
- c. major accounting entries involving estimates based on the exercise of judgment by management.
- d. significant adjustments made in the financial statements arising out of audit findings.
- e. compliance with listing and other legal requirements relating to financial statements.
- f. disclosure of any related party transactions.
- g. modified opinion(s) in the draft audit report.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee may also review such matters as may be referred to it by the Board or which may be specified as role of the Audit Committee under amendments, if any, from time to time, to the Listing Regulations, Companies Act and other Statutes.

V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit Reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations, if required.

B. **Nomination and Remuneration Committee**

I. Constitution and Composition

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Regulations, the Nomination and Remuneration Committee constitutes of following

4 (Four) Directors as members. **Table-5** gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the Committee.

Table-5

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. V.K. Pargal	Chairman	2/2
2.	Mr. Rakesh Chopra	Member	2/2
3.	Mr. N.V. Srinivasan	Member	2/2
4.	Mr. Surinder Paul Kanwar	Member	2/2
5.	Mr. W.R. Schilha	Member	2/1 *
6.	Ms. Hiroo Suresh Advani	Member	2/1 *

*Mr. W.R. Schilha and Ms. Hiroo Suresh Advani had been inducted as member(s) of the Committee on 01 April, 2019 and ceased to be member(s) of the Committee w.e.f. 06 August, 2019. During the tenure of Mr. W.R. Schilha and Ms. Hiroo Suresh Advani, 1 (One) meeting of the Nomination and Remuneration had been held and they attended the said meeting.

Mr. Rakesh Chopra had been designated as the chairman of the Committee on 01 April, 2019 and stepped down as the chairman on 06 August, 2019.

Mr. V.K. Pargal was the chairman of the Committee upto 31 March, 2019 and member of the Committee from 01 April 2019 to 06 August, 2019, re-designated as chairman of the Committee w.e.f. 06 August, 2019.

On 06 August, 2019, the Nomination and Remuneration Committee had been reconstituted.

Existing members of the Committee consist of Mr. V.K. Pargal and Mr. Rakesh Chopra, Non-Executive Independent Directors, Mr. N.V. Srinivasan, Non-Executive Director and Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company.

II. Nomination and Remuneration Committee Meetings

In terms of Regulation 19 of the Regulations, at least 1 (One) meeting of the Nomination and Remuneration Committee is held in each Financial Year.

During the Financial Year 2019-20, 2 (Two) meetings of the Nomination and Remuneration Committee were held. **Table-6** gives the details of the date and purpose of the meetings of Nomination and Remuneration Committee:-

Table-6

S.No.	Date of Meeting	Purpose
1.	30 May, 2019	Consideration and recommendation of the appointment of Ms. Hiroo Suresh Advani as a Non-Executive Independent Director of the Company in terms of the provisions of Section 149 of the Companies Act, 2013. Consideration and recommendation of the appointment of Mr. N.V. Srinivasan as a Non-Executive Director of the Company liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013. Consideration and recommendation of the appraisal of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.
2.	29 January, 2020	Noting of the performance evaluation of Independent Directors carried on by the Board of Directors and performance evaluation by the Independent Directors in their separate meeting.

Mr. Prashant Khattry, Head (Legal) & Company Secretary of the Company acted as Secretary to the Nomination and Remuneration Committee meetings as aforesaid.

The respective Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

III. Role of Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee in terms of the Regulations includes the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. deciding whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation

of Independent Directors.

6. recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Pursuant to Schedule V to the Companies Act, 2013, in case of no profits or inadequate profits, the Nomination and Remuneration Committee has been empowered to consider, approve and recommend the remuneration of Whole Time Director/Managing Director.

IV. Nomination and Remuneration Policy

Pursuant to the provisions of the Companies Act, 2013 read with Regulation 19 of the Regulations, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management as approved by the Board is available on the website of the Company i.e. www.bharatgears.com.

The objectives and purpose of the said policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Auto Component industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While deciding the remuneration for Directors, Key Managerial Personnel and other employees, the Board and the Nomination and Remuneration Committee takes into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), positive attributes, their independence, expertise, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policy from time to time.

V. Policy on Board Diversity

In terms of Regulation 19 of the Regulations, the Nomination and Remuneration Committee has formed the policy on Board Diversity to provide for having a broad experience and diversity on the Board. The said policy is a part of Nomination and Remuneration Policy.

VI. Succession Plans for Board, KMPs and Senior Management

The Nomination and Remuneration Committee has a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a Director, KMP or Senior Management Personnel of the Company as the case may be based on his/her educational qualifications, experience and track record.

The Committee has formed a Nomination and Remuneration Policy in accordance with the applicable provisions of the Companies Act, the Listing Regulations and other laws as applicable to the Company to guide the Board in relation to the appointment, re-appointment or removal of the person at the Board, KMP and Senior Management level.

The Committee carries out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

Further, Audit Committee under the Risk Management frame work evaluates and reviews the succession planning, skill development process and training requirements for the Senior Management Personnel and KMPs on quarterly basis.

VII. Performance Evaluation

In terms of Regulation 17 of the Regulations, the Board of Directors in its meeting held on 29 June, 2020

VIII. Remuneration of Directors for 2019-20

Table-7

(₹ In lacs)				
NON-EXECUTIVE DIRECTORS				
Name of Director	Sitting Fees [#]		Salaries and Perquisites	Total
	Board Meetings	Committee Meetings		
Mr. V.K. Pargal	1.00	1.30	Nil	2.30
Mr. W.R. Schilha	0.50	0.10	Nil	0.60
Mr. Rakesh Chopra	1.25	1.75	Nil	3.00
Mr. N.V. Srinivasan	1.00	0.30	Nil	1.30
Ms. Hiroo Suresh Advani	1.25	1.35	Nil	2.60
Sub-Total (A)				9.80
EXECUTIVE DIRECTORS				
Mr. Surinder Paul Kanwar (\$)	• Salary		200.00	
	• Contribution to provident and other funds (*)		24.04	
	• Monetary value of perquisites (**)		38.83	262.87
Mr. Sameer Kanwar (\$)	• Salary		120.00	
	• Contribution to provident and other funds (*)		14.45	
	• Monetary value of perquisites (**)		38.90	173.35
Sub-Total (B)				436.22
Grand Total				446.02

evaluated the performance of Independent Directors in terms of criteria of performance evaluation as laid down by Nomination and Remuneration Committee which covers the area relevant to their role as Independent Director in the Company, including but not limited to:

- Performance of the Directors; and
- Fulfillment of the independence criteria as specified in the regulations and their independence from the management.

In the above evaluation, the director(s) who were subject to evaluation did not participated respectively.

During the Financial Year 2019-20, a separate meeting of the Independent Directors of the Company was held on 29 January, 2020 in terms of Regulation 25 of the Regulations.

The Independent Directors in their separate meeting:

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

GST as applicable paid directly by the Company.

*Excludes provision for gratuity which is determined on the basis of actuarial valuation done on an overall basis for the Company.

**Excludes provision for compensated absences which is made based on the actuarial valuation done on an overall basis for the Company.

There is no notice period or severance fee in respect of appointment of any of the above Managerial Personnel. Neither Mr. Surinder Paul Kanwar nor Mr. Sameer Kanwar is entitled for any performance linked incentives and the Company does not have any Stock Option Scheme.

The Company has paid remuneration to the Non-Executive Directors by way of sitting fees at the rate of ₹ 25,000/- (Rupees Twenty Five Thousand Only) for attending each meeting of the Board and Audit Committee and ₹ 10,000/- (Rupees Ten Thousand Only) for other Committees of the Board of Directors of the Company.

\$ The remuneration payable to Mr. Surinder Paul Kanwar, Chairman and Managing Director and Mr. Sameer Kanwar, Joint Managing Director is subject to the approval of the shareholders by special resolution in general meeting, if the aggregate remuneration payable to them exceeds 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and fresh approval of the shareholders is sought at the beginning of each tenure of their appointment.

C. Stakeholders' Relationship Committee

I. Constitution and Composition

In terms of the provisions of the Companies Act, 2013 and Regulation 20 of the Regulations, the "Stakeholders' Relationship Committee" constitutes of following 4 (Four) Directors as members. The [Table-8](#) gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee:

Table-8

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Rakesh Chopra	Chairman	1/1
2.	*Mr. Surinder Paul Kanwar	Member	1/1
3.	Mr. Sameer Kanwar	Member	1/1
4.	Mr. N.V. Srinivasan	Member	1/1

Mr. Rakesh Chopra is a Non-Executive Independent Director, Mr. N.V. Srinivasan is a Non-Executive Director, Mr. Surinder Paul Kanwar is Chairman and Managing Director of the Company and Mr. Sameer Kanwar is Joint Managing Director of the Company.

*Mr. Surinder Paul Kanwar had been inducted as member of the Committee w.e.f. 01 April, 2019. Accordingly, the Stakeholders' Relationship Committee had been reconstituted.

II. Role of Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee in terms of the Regulations includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

III. Stakeholders' Relationship Committee Meetings

In terms of Regulation 20 of the Regulations, at least 1 (One) meeting of the Stakeholders' Relationship Committee is held in each Financial Year.

During the Financial Year 2019-20, 1 (One) meeting of the Stakeholders' Relationship Committee was held. [Table-9](#) gives the details of the date and purpose of the meeting of Stakeholders' Relationship Committee:-

Table-9

S.No.	Date of Meeting	Purpose
1.	29 May, 2019	Noting of status of grievances of the Shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. during the Financial Year 2018-19. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent i.e. Link Intime India Private Limited. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Mr. Prashant Khattry, Head (Legal) and Company Secretary of the Company acted as Secretary to the Stakeholders' Relationship Committee Meeting as aforesaid.

The Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

IV. Sub-Committee

In order to have speedy disposal of the Shareholders'/ Investors' requests for transfers and transmissions, a Sub-Committee consisting of the following Directors/ Officers of the Company is in place for effecting transfer/transmission/split/consolidation of shares:

- a. Mr. Surinder Paul Kanwar, Chairman and Managing Director
- b. Mr. Sameer Kanwar, Joint Managing Director
- c. Mr. Prashant Khattry, Head (Legal) and Company Secretary

Any two of the above are authorised to consider and approve the transfer/transmission/split/consolidation of shares. The Sub-Committee is attending to Share Transfer formalities at least once in a fortnight.

However, the Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities. Therefore, the Sub-Committee addresses and disposes the aforesaid requests other than those prohibited by SEBI.

V. Status of Investor Complaints/Requests

No. of Complaints received during financial year 2019-20	5
Non Receipt of offer for Rights Issue: 1	
Non Receipt of Share Certificate for Rights Issue and rejection for Dematerialisation: 2	
Non Receipt of Annual Report: 1	
Request wrongly filed as Complaint: 1	
No. of Complaints resolved to the satisfaction of stakeholders during financial year 2019-20	5

No. of pending requests for share transfers, transmissions (under permissible mode(s)), dematerialisations and rematerialisations as on 31 March, 2020.

Particulars	No. of Requests	No. of Securities
Transfers and Transmissions(Under Permissible Mode(s))	NIL	NIL
Dematerialisations and Rematerialisations	NIL	NIL

In terms of Regulation 13 of the Regulations, the Company has filed the status of investor complaints at the end of each quarter with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre duly signed by Mr. Prashant Khattry, Compliance Officer of the Company.

D. Corporate Social Responsibility Committee ("CSR Committee")

I. Constitution and Composition

In terms of provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") constitutes of following 3 (Three) Directors as members to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on website of the Company i.e. www.bharatgears.com.

The **Table-10** gives the composition and the attendance record of Members of the CSR Committee:

Table-10

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Surinder Paul Kanwar	Chairman	1/1
2.	Mr. Sameer Kanwar	Member	1/1
3.	Mr. Rakesh Chopra	Member	1/1

Mr. Surinder Paul Kanwar is Chairman and Managing Director, Mr. Sameer Kanwar is Joint Managing Director and Mr. Rakesh Chopra is a Non-Executive Independent Director of the Company.

II. Role of Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility Committee in terms of the the Companies Act, 2013 includes the following:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 ("the Act").
- (b) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- (d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

III. CSR Committee Meetings

During the Financial Year 2019-20, 1 (One) meeting of CSR Committee was held. **Table-11** gives the details of the date and purpose of the meeting of CSR Committee:-

Table-11

S.No.	Date of Meeting	Purpose
1.	29 January, 2020	Consideration and recommendation of spending on Corporate Social Responsibility (CSR) activities in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014

E. **Finance Committee**

The "Finance Committee" of the Board of Directors of the Company is in existence which has been empowered to take care of the financing and other day to day requirements of the Company. The said Committee is authorised to borrow monies, make loans, issue shares, etc. and matters related or incidental thereto.

The **Table-12** gives the composition and the attendance record of Members of the Finance Committee:

Table-12

S.No.	Name of Member	Designation	No. of meetings Held/ Attended
1.	Mr. Rakesh Chopra	Chairman	1/1
2.	Mr. Surinder Paul Kanwar	Member	1/1
3.	Mr. Sameer Kanwar	Member	1/1
4.	Mr. V.K. Pargal	Member	1/1

Mr. Rakesh Chopra and Mr. V.K. Pargal are the Non-Executive Independent Directors, Mr. Surinder Paul Kanwar is Chairman and Managing Director and Mr. Sameer Kanwar is Joint Managing Director of the Company.

During the Financial Year 2019-20, 1 (One) meeting of Finance Committee was held on 10 May, 2019 to discharge the functions delegated to the Committee.

Each of these Committees of the Board have requisite expertise to handle the issues relevant to their field and spend considerable time and give focused attention to the various issues placed before it and guidance by these Committees lend immense values and enhances the decision making process of the Board. The Board reviews the functioning of these Committees from time to time. The Meetings of each of the Committee are convened by the respective Chairman, who also informs the Board about the summary of discussion held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all the Directors individually and tabled at the respective Board/Committee Meeting.

5. **COMPLIANCE OFFICER**

Mr. Prashant Khattri, Head (Legal) and Company Secretary is the Compliance Officer of the Company.

6. **DIRECTORS**

Appointment/Re-appointment of existing Executive Director/Non-Executive Director

During the Financial Year 2019-20, the members of the Company vide their special resolution(s) passed through Postal Ballot on 18 May, 2019 approved the:

- Continuation of Mr. V.K. Pargal as a Non-Executive Independent Director w.e.f. 01 April, 2019 till the end of his current tenure upto the conclusion of 48th Annual General Meeting (AGM) of the Company in the Calendar Year 2020 in terms of the provisions of Section 149 of the Companies Act, 2013;
- Continuation of Mr. N.V. Srinivasan as a Non-Executive Director liable to retire by rotation w.e.f. 01 April, 2019 till the end of his current tenure upto the conclusion of the 47th Annual General Meeting (AGM) of the Company in the Calendar Year 2019 in terms of the provisions of Section 152 of the Companies Act, 2013;

in terms of Regulation 17 of the Regulations as amended, the age of the said Directors being more than seventy five years as on 01 April, 2019.

Further, the members of the Company vide their special resolution(s) passed at their Annual General Meeting held on 06 August, 2019 approved the:

- Appointment of Ms. Hiroo Suresh Advani as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) consecutive years upto the conclusion of the 52nd Annual General Meeting (AGM) of the Company in the Calendar year 2024;
- Appointment of Mr. N.V. Srinivasan as a Non-Executive Director on the Board of the Company liable to retire by rotation upto the conclusion of the next Annual General Meeting (AGM) of the Company in the Calendar year 2020;

in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of the said Directors being more than seventy five years at the commencement of/during their respective tenure.

The tenure of Mr. Surinder Paul Kanwar as Chairman and Managing Director of the Company is expiring on 30 September, 2020. The Board of Directors of the Company in its meeting held on 28 June, 2020 has re-appointed Mr. Surinder Paul Kanwar as Chairman and Managing Director of the Company for a further period

of 5 (Five) years w.e.f. 01 October, 2020 subject to the approval of shareholders at the ensuing Annual General Meeting of the Company by way of special resolution in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, in read with the provisions of Section 196(3) of the Companies Act, 2013, as the age of Mr. Surinder Paul Kanwar will be more than seventy years during his proposed tenure.

In terms of the provisions of Section 149 of the Companies Act, 2013, Mr. V.K. Pargal and Mr. Rakesh Chopra had been appointed as Non-Executive Independent Director at the Annual General Meeting (AGM) of the Company held on 31 July, 2015 for a period of 5 (Five) Years upto the conclusion of the 48th AGM of the Company in the Calendar year 2020.

Therefore, in terms of provisions of Section 149 of the Companies Act, 2013, it has been proposed to appoint Mr. V.K. Pargal and Mr. Rakesh Chopra as Non-Executive Independent Director at the ensuing Annual General Meeting (AGM) of the Company for a period of 5 (Five) Years upto the conclusion of the 53rd AGM of the Company in the Calendar year 2025 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Mr. V.K. Pargal being more than seventy five years at the commencement of his proposed tenure.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to appoint Mr. N.V. Srinivasan as a Non-Executive Director liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company upto the conclusion of the next Annual General Meeting (AGM) of the Company in the Calendar Year 2021 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended, the age of Mr. N.V. Srinivasan being more than seventy five years at the commencement of his proposed tenure.

As required under Regulation 36 of the Regulations, the information or details pertaining to the Director seeking appointment/re-appointment in the ensuing Annual General Meeting have been furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as detailed below:

Annual General Meetings

Table-13

Financial Year	Venue	Date & Time	Special Resolution(s) Passed
2018-19	ARK Hall, Hotel Saffron Kiran, Further to Sarai Metro Station, Near to Badarpur Toll Plaza, Sarai Khwaja, Faridabad-121003, Haryana	06 August, 2019 11:30 A.M.	Yes 1. Consideration and approval of the appointment of Ms. Hiroo Suresh Advani as a Non-Executive Independent Director on the Board of the Company. 2. Consideration and approval of the appointment of Mr. N.V. Srinivasan as a Non-Executive Director on the Board of the Company. 3. Consideration and approval of the increase in the Authorised Share Capital of the Company.
2017-18	Gulmohar Hall, Vibe By The LaLiT Traveller, 12/7, Mathura Road, Just After Toll Plaza, Faridabad-121003, Haryana	03 August, 2018 11:30 A.M.	Yes 1. Consideration and approval of re-appointment of Mr. Sameer Kanwar as Joint Managing Director of the Company. 2. Consideration and approval of payment of remuneration to Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company for a further period of 2 (Two) years w.e.f. 01 October, 2018 of his present tenure. 3. Consideration and approval of re-classification of Share Capital and alteration in the Capital Clause of Memorandum of Association (MOA) of the Company. 4. Consideration and approval of alteration in the Objects Clause of Memorandum of Association (MOA) of the Company.
2016-17	Ark Hall, Hotel Saffron Kiran, 12/6, NH-2, Further to Sarai Metro Station, Near to Badarpur Toll Plaza, Sarai Khwaja, Faridabad (121003), Haryana	09 August, 2017 03:00 P.M.	No

Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2020.

Postal Ballot

During the Financial Year 2019-20, the Company has obtained the approval of its members through Postal Ballot (including voting by electronic means) on 18 May, 2019 in accordance with the procedure prescribed in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management

and Administration) Rules, 2014, as amended and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on following resolution(s):

1. Consideration and approval of continuation of Mr. V.K Pargal as a Non-Executive Independent Director on the Board of the Company.
2. Consideration and approval of continuation of Mr. N.V. Srinivasan as a Non-Executive Director on the Board of the Company.

Members holding shares either in physical form or in dematerialized form, as on the cut-off date of 12 April, 2019 casted their vote on the business(es) as set out in the Notice of the Postal Ballot. The period of voting commenced on 19 April, 2019 and ended on 18 May, 2019.

Mr. Nitin Rawat, Practicing Company Secretary was appointed as the Scrutinizer by the Board to conduct

the said Postal Ballot Process in fair and transparent manner.

The results of voting, conducted through Postal Ballot (including voting by electronic means) for passing of the Special Resolution(s), had been announced by the Chairman and Managing Director on 20 May, 2019 as reproduced below:

Resolution No. 01: To consider and approve the continuation of Mr. V.K Pargal as a Non-Executive Independent Director on the Board of the Company.

Type of Resolution: (Special)

Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	44,66,738	44,66,133	99.99	44,66,133	0	100.00	0.00
Public – Institutions	0	0	0.00	0	0	0.00	0.00
Public – Non Institutions	36,76,095	21,427	0.58	20,418	1,009	95.29	4.71
Total	81,42,833	44,87,560	55.11	44,86,551	1,009	99.98	0.02

The above special resolution was passed with requisite majority.

Resolution No. 02: To consider and approve the continuation of Mr. N.V. Srinivasan as a Non-Executive Director on the Board of the Company.

Category	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	44,66,738	44,66,133	99.99	44,66,133	0	100.00	0.00
Public – Institutions	0	0	0.00	0	0	0.00	0.00
Public – Non Institutions	36,76,095	21,321	0.58	20,312	1,009	95.27	4.73
Total	81,42,833	44,87,454	55.11	44,86,445	1,009	99.98	0.02

The above special resolution was passed with requisite majority.

As on date, no special resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results during the year were duly furnished to both the stock exchanges i.e. NSE and BSE and the same were published by the Company as under:

Table-14

Financial Results	Name(s) of Newspapers	Date(s) of Publication
Quarter/Year ended 31 March, 2019	Financial Express# Jansatta(Hindi)##	31 May, 2019
Quarter ended 30 June, 2019	Financial Express# Jansatta(Hindi)##	07 August, 2019
Quarter/Half Year ended 30 September, 2019	Financial Express# Jansatta(Hindi)##	15 November, 2019
Quarter/Nine Months ended 31 December, 2019	Financial Express# Jansatta(Hindi)##	30 January, 2020

Financial Express- Delhi, Mumbai, Ahmedabad, Bengaluru, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Lucknow, Pune Editions.

Jansatta (Hindi)-Delhi Edition.

COMPANY WEBSITE

Pursuant to Regulation 46 of the Regulations, the Company's website i.e. www.bharatgears.com contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed dividends and various policies of the Company.

NSE ELECTRONIC APPLICATION PROCESSING SYSTEM ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Limited (NSE) for corporate filings. All periodical compliance related filings, like shareholding

pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

BSE CORPORATE COMPLIANCE AND LISTING CENTRE ('LISTING CENTRE')

The Listing Centre of BSE Limited is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

Further, any interviews given by Company Executives/ Management during the year are also displayed on the Company's official website i.e. www.bharatgears.com.

ANNUAL REPORT

The Annual Report containing, inter-alia, the Audited Financial Statements, Board's Report, Auditors' Report, the Management Discussion and Analysis (MDA) Report and other important information is circulated to the shareholders and other stakeholders and is also available on the Company's website i.e. www.bharatgears.com.

REMINDER TO INVESTORS

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on website of the Company at www.bharatgears.com.

Green Initiative:

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), the Company had sent soft copies of Annual Report for the year 2018-19 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agents (RTA). Physical copies were sent to only those shareholders whose e-mail addresses were not available and for the bounced e-mail cases.

Besides the above, no other presentations were made to any institutional investor or to the analysts.

9. GENERAL SHAREHOLDERS' INFORMATION

A. Company Registration Details:

The Company is registered under the Registrar of Companies, NCT of Delhi and Haryana.

The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29130HR1971PLC034365.

B. Annual General Meeting Details:

The forthcoming AGM of the Company shall be held at 11:30 A.M. on Wednesday, the 16 September, 2020 at Faridabad.

C. Financial Year:

Financial year of the Company commences on 01 April and ends on 31 March. The four Quarters of the Company ends on 30 June, 30 September, 31 December and 31 March respectively.

D. Listing on Stock Exchanges and Stock Code:

The Shares of the Company are listed on the following Stock Exchanges:

1. BSE Limited [BSE]
[Stock Code: 505688]
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001
2. National Stock Exchange of India Limited [NSE]
[Symbol: BHARATGEAR]
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051

The Annual Listing Fees for the year 2020-21 has been paid in advance to the aforesaid Stock Exchanges.

E. Market Price Data:

High and Low prices during each month of Financial Year 2019-20 on National Stock Exchange of India Limited and BSE Limited are as under:

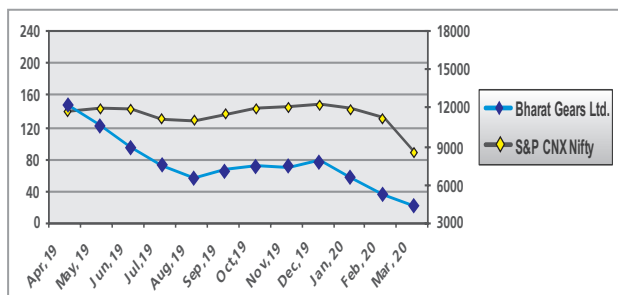
The Closing Price represents the price on the last trading day of each month of Financial Year 2019-20.

Table-15

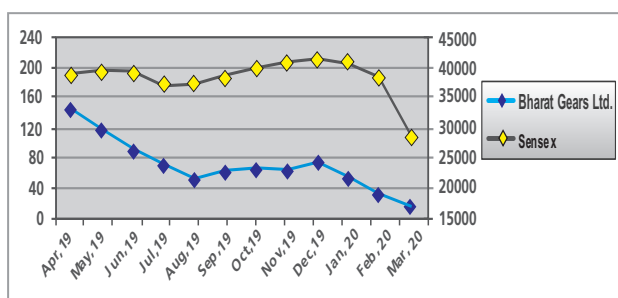
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April	176.00	173.30	143.00	142.50	147.05	146.90
May	149.75	157.40	115.90	116.10	122.70	121.50
June	125.90	126.60	85.70	85.70	95.90	95.95
July	104.00	109.95	75.00	74.80	75.45	75.80
August	75.00	73.90	55.00	54.15	59.50	59.40
September	78.85	82.00	60.40	59.90	68.35	68.45
October	78.90	79.95	56.15	54.80	73.05	73.10
November	88.90	89.50	64.25	64.50	71.35	70.90
December	88.00	88.15	59.85	60.00	79.95	79.80
January	80.30	80.15	59.20	60.40	60.40	60.50
February	64.45	65.00	39.60	41.35	39.60	41.35
March	39.00	40.50	21.75	23.25	25.50	25.55

The graphical presentations of movement of closing share prices of the Company on NSE and BSE during the year are as under:

a. BHARAT GEARS' PRICES VERSUS S & P CNX NIFTY



b. BHARAT GEARS' PRICES VERSUS SENSITIVITY AT BSE



F. Registrar and Transfer Agent:

Link Intime India Private Limited is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address:

Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot No NH-2, LSC, C-1 Block,
Near Savitri Market,
Janakpuri,
New Delhi - 110058
Tel Nos.: 011-41410592-94
Fax No.: 011-41410591, 49411000
Email: delhi@linkintime.co.in

However, for the convenience of Shareholders, correspondence relating to shares received by the Company are forwarded to the Registrar and Transfer Agent for action thereon.

In terms of Regulation 7 of the Regulations, the Company has filed a compliance certificate with National Stock Exchange of India Limited (NSE) through

NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre duly signed by Mr. Prashant Khattri, Compliance Officer of the Company and the authorized representative of Registrar & Transfer Agent of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by the Registrar & Transfer Agent of the Company.

G. Share Transfer System:

The Securities and Exchange Board of India (SEBI) has prohibited the transfer of shares in physical form w.e.f. 01 April, 2019 except in case of transmission or transposition of securities.

The requests for the transfers of Shares under the aforesaid permissible mode(s) are accepted for registration at the Registered Office of the Company in addition to the office of Registrar and Transfer Agent (RTA), Link Intime India Private Limited. Link Intime India Private Limited is fully equipped to undertake the activities of Share Transfers and redressal of Shareholders grievances.

In order to have speedy disposal of the shareholders'/ investors' requests for transfers and transmissions, a sub-committee consisting of the following directors/officers of the Company is in place for effecting Transfer/ Transmission/Split/Consolidation of Shares.

- Mr. Surinder Paul Kanwar, Chairman and Managing Director
- Mr. Sameer Kanwar, Joint Managing Director
- Mr. Prashant Khattri, Head (Legal) and Company Secretary

Any two of the above are authorised to consider and approve the Transfer/Transmission/Split/Consolidation of Shares. The Sub-Committee is attending to Share Transfer formalities at least once in a fortnight.

After approved by the Sub-Committee, the Share Transfers are affected by the Registrar and Transfer Agent of the Company.

The Sub-Committee addresses and disposes the aforesaid requests other than those prohibited by SEBI.

As per the requirements of Regulation 40(9) of the Regulations, the Company has obtained the Half Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and the same has been filed with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre accordingly.

H. Shareholding pattern of the Company as per category of shareholders as on 31 March, 2020:

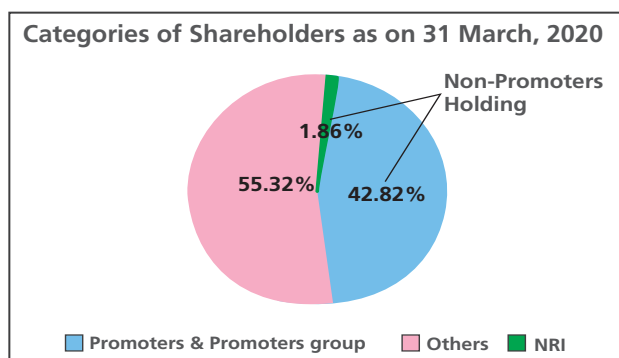


Table-16

Category	No. of Shares Held	%age of Share Holding
A Promoters' holding		
1. Promoters		
- Indian Promoters	3368175	36.19
- Foreign Promoters	0	0.00
2. Persons acting in Concert	1780010	19.13
B. Non-Promoters' Holding		
3. Institutional Investors		
a. Mutual Funds and Unit Trust of India	1700	0.02
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	1428	0.02
c. Foreign Institutional Investor	0	0.00
4. Others		
a. Private Corporate Bodies	329671	3.54
b. Indian Public	3527861	37.91
c. Non Resident Indians/Overseas	173094	1.86
d. NBFCs registered with RBI	0	0.00
e. Any Other	124156	1.33
Total	9306095	100.00

I. Distribution of Shareholding as on 31 March, 2020:

Table-17

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	14032	1152042	12.38
501 to 1000	643	474282	5.10
1001 to 2000	345	504369	5.42
2001 to 3000	102	256814	2.76
3001 to 4000	53	190989	2.05
4001 to 5000	25	116265	1.25
5001 to 10000	65	457384	4.91
10001 and above	42	6153950	66.13
Total	15307	9306095	100.00

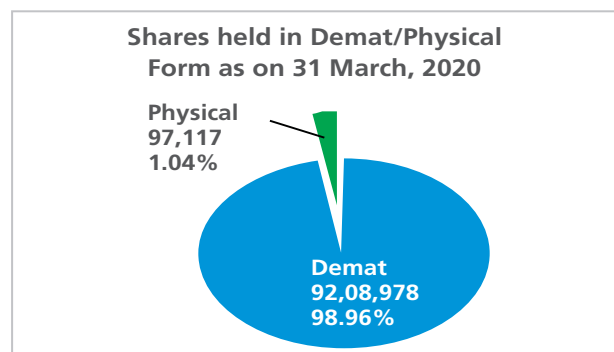
J. Share Dematerialisation System:

The requests for dematerialisation of shares are processed by Registrar and Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

In terms of Regulation 74(5) of the SEBI (Depositories and Participants) Regulations 2018, the Company has filed a compliance certificate with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS), with BSE Limited (BSE) through BSE Listing Centre and the Depositories concerned duly signed by the authorized representative of Registrar and Transfer Agent of the Company confirming that the securities received from the depository participants for dematerialization were confirmed (accepted/rejected) to the depositories by them and that securities comprised in the said certificates have been listed on the stock exchanges where the earlier issued securities are listed and further confirming that the securities certificates received for dematerialization have been mutilated and cancelled after due verification by the depository participant and the name of the depositories have been substituted in register of members as the registered owner within 15 days.

K. Dematerialization of Shares and Liquidity:

The Company's equity shares are compulsorily traded in the Stock Exchanges in the dematerialized mode and are available for trading under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India) Limited.



As on 31 March, 2020, a total of 92,08,978 equity shares of the Company of ₹ 10/- each, which form 98.96% of the paid up Equity Share Capital, stand dematerialized.

Table-18

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
7712224	82.87	1496754	16.09	97117	1.04

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

L. Transfer of Unclaimed Shares to Investor Education and Protection Fund:

In terms of provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") and further amendments thereto, the Company is required to transfer the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government and a statement containing such details are required to be filed with the Ministry of Corporate Affairs (MCA).

In terms of above, pursuant to the transfer of the unclaimed dividend for the year 2011-12 to the IEPF on 24 August, 2019 i.e. upon completion of seven years from transfer of dividend into unclaimed dividend account, 8,922 (Eight Thousand Nine Hundred Twenty Two) equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2011-12 have been transferred into demat account of IEPF Authority.

During the Financial Year 2019-20, 2 (Two) request(s) covering 300 (Three Hundred) equity shares have been received by the Company from shareholders whose equity shares are held in the demat account of IEPF Authority. The verification report clear in all aspects for the release of said shares has been forwarded by the Nodal Officer of the Company to the IEPF Authority pursuant to the due verification of the claims(s) so received. Subsequently, the said claims have been approved by the IEPF Authority and such shares have been transferred into the Demat Account of the respective shareholders by the IEPF Authority.

Pursuant to the transfer of aforesaid equity shares into the Demat Account of the respective shareholders by the IEPF Authority, 98,456 (Ninety Eight Thousand Four Hundred Fifty Six) equity shares of the Company in aggregate are held in demat account of IEPF Authority.

Further, upon transfer of the unclaimed dividend for the year 2012-13 to the Investor Education and Protection Fund (IEPF) on 29 August, 2020 i.e. upon completion

of seven years from the transfer of dividend into unclaimed dividend account, the equity shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2012-13 (net of the shares already transferred) shall also be transferred into IEPF.

In terms of the Rule 6(3) of Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the necessary communications have been made to the respective shareholders whose shares are required to be transferred to the IEPF so as to enable them to claim their dividend attached to such shares before such dividend and shares are transferred to IEPF during the Financial Year 2020-21 and further, the necessary information in this regard is available on the website of the Company i.e. www.bharatgears.com for the convenience of the shareholders.

Investor Education and Protection Fund claim Guidelines

With reference to Rule 7 of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Investors/Depositors whose unpaid dividends and shares have been transferred to IEPF under the Companies Act, 2013 can claim the amounts and shares from the IEPF authority as per the procedures/guidelines stated below:

- Download the Form IEPF-5 from the website of the IEPF Authority (<http://www.iepf.gov.in>) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit alongwith the e-form carefully before filling the form.
- After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the IEPF website. On successful uploading, an acknowledgement challan will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- Take a print out of the duly filled Form IEPF-5 and the acknowledgement challan issued after uploading the form.
- Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form IEPF-5 alongwith other necessary documents as mentioned in the Form IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority"/ "Claim for shares from IEPF" as the case maybe. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

- e. Claim form completed in all respects will be verified and submitted online by the Company along with the Verification Report and other necessary documents to the IEPF Authority. Subsequently, on the basis of Company's Verification Report and other documents submitted by the Company with the IEPF Authority, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

In terms of the Rule 2 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of Nodal Officer and Deputy Nodal Officer appointed by the Company for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority (IEPF Authority) as communicated to the IEPF Authority are as follows:

Nodal Officer:

Mr. Prashant Khattry, Head (Legal) and Company Secretary
Bharat Gears Limited
20 K.M. Mathura Road
Faridabad - 121003
Phone: 0129-4288888
Fax: 0129-4288822
Email: prashant.khattry@bglindia.com

Deputy Nodal Officer:

Mr. Kaushal Narula, Manager (Secretarial)
Bharat Gears Limited
20 K.M. Mathura Road
Faridabad - 121003
Phone: 0129-4288888
Fax: 0129-4288822
Email: kaushal.narula@bglindia.com

Further, the necessary details of Nodal Officer and Deputy Nodal Officer are available on the website of the Company i.e. www.bharatgears.com.

As per Part F of Schedule V of the Regulations, there are no unclaimed shares in the Company.

M. Corporate Benefits:

Dividend History:

Table-19

Financial Year	Rate (%)	Amount(₹ in Lacs)
2019-20	NIL	NIL
2018-19	10	93.06
2017-18	NIL	NIL
2016-17	NIL	NIL
2015-16	NIL	NIL

N. Plant locations:

The Company's Plants are located at the below mentioned addresses:

- 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad, Haryana, Pin-121 003
- Kausa Shil, Mumbra, Dist. Thane, Maharashtra, Pin-400 612
- Lonand, Taluka Khandala, District Satara, Maharashtra, Pin: 415 521

O. Addresses for Correspondence:

For Share transfer/demat/remat of shares or any other query relating to shares:-

Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No NH-2, LSC,C-1 Block, Near Savitri Market, Janakpuri, New Delhi – 110058, Tel Nos.: 011-41410592-94, 49411000, Email:delhi@linkintime.co.in.

For Investor Assistance:-

Mr. Prashant Khattry, Head (Legal) and Company Secretary, Bharat Gears Limited, 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad-121 003, Phone: 0129-4288888, Fax No. 0129-4288822-23, Email: prashant.khattry@bglindia.com

P. Credit Ratings:

The details of the Credit Ratings assigned to the Company for its Banking Facilities by various rating agency(ies) as on 31 March, 2020 and changes thereof during the Financial Year 2019-20 are as per following details:

Table-20

Instrument Description	Rating Agency(ies)	Rating Assigned as on 31 March, 2020	Changes in Rating during the Financial Year 2019-20
Banking Facilities- Long-Term	CRISIL	BB+/Stable	Downgraded from BBB-/Stable
Banking Facilities- Short-Term	CRISIL	A4+	Downgraded from A3

10. OTHER DISCLOSURES

A. Related Party Transactions:

During the year 2019-20, there were no material individual transactions with related parties, which are not in normal course of business or are not on an Arm's Length basis in terms of Regulation 23 of the Regulations. The statements in summary form of transactions with Related Parties in the ordinary

course of business are placed periodically before the Audit Committee for its consideration and approval. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions during the year are given in the Notes forming part of the financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the website of the Company i.e. www.bharatgears.com under the link http://bharatgears.com/documents/related_party_transaction_policy.pdf

In terms of Regulation 23(9) of the Regulations, the Company has filed the disclosures of related party transactions on a consolidated basis with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre on a half yearly basis.

B. Disclosure of Accounting Treatment in preparation of Financial Statements:

Bharat Gears Limited has followed the guidelines of Accounting Standards as mandated by the Central Government in preparation of its financial statements.

C. Risk Management Framework:

In pursuance to the Companies Act, 2013 and Regulation 17(9) of the Regulations, the Board of Directors of the Company has adopted a comprehensive Enterprise Risk Management Framework wherein the risks faced by the Company have been identified and assessed and on the basis of the same, the various risks have been prioritized and further the procedures have been devised upon to mitigate such risks. The progress checks on all the risks are done at the Senior Management level and the summary of the same is placed before the Board on a quarterly basis.

The process of risk identification, assessment, prioritization and the devising of the procedures for mitigation of risks is repeated on an annual basis to make the risk management framework inline with the changing requirements of the Industry vis-à-vis the operations of the Company.

A detailed note on Risk Management is given in the Management Discussion and Analysis section forming part of the Board's Report.

D. Management:

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2019-20.

E. Compliance by the Company:

There were no instances of any non-compliance by the Company or any penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to the Capital Markets, during the last three years.

F. Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower Policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013. The policy provides a channel to the employees, Directors and any other person who avails such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The mechanism of policy provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The said policy has been communicated to all the personnel of the Company and is available on the website of the Company i.e. www.bharatgears.com. Protected disclosure can be made by the whistle blower in a closed and secured envelope or sent through e-mail to the Compliance Officer.

During the year under review, no complaint has been received and no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

Further, the Audit Committee, in its meeting held on 29 January, 2020 reviewed the functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company and found the same satisfactory and recommended few changes in the Whistle Blower Policy to the Board which had been approved by the Board in their meeting on the even date.

G. Policy on Preservation of Documents/Archival Policy on Website Disclosure:

The Policy on Preservation of Documents/Archival Policy on Website Disclosure in accordance with Regulation 9 and Regulation 30(8) of the Regulations is in existence which provides the framework for preservation of documents and records of the Company for a specified period and the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy aids the employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable

statutory and regulatory requirements. The said policy is available on the website of the Company i.e. www.bharatgears.com.

H. Policy on criteria for Determining Materiality of Events:

The Policy on criteria for determining Materiality of Events has been framed in accordance with Regulation 30 of the Regulations which defines the criteria for determining the materiality of events or information related to the Company, provides that such information should be adequately disseminated in pursuance with the Regulations and further provides for the overall governance framework for such determination of materiality. The said policy is available on the website of the Company i.e. www.bharatgears.com.

I. CEO/CFO certification:

Certificate from Mr. Surinder Paul Kanwar, Chairman and Managing Director and Mr. Milind Pujari, Chief Financial Officer in terms of Regulation 17(8) of the Regulations for the Financial Year ended 31 March, 2020 was placed before the Board of Directors of the Company in its meeting held on 28 June, 2020.

J. Code of Conduct and Corporate Ethics:

Code of Business Conduct and Ethics

Bharat Gears Limited believes that Good Corporate Governance is the key to the Conduct of Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stakeholders. A copy of this code formulated in terms of Regulation 17 of the Regulations has been posted at Company's official website i.e. www.bharatgears.com.

Code of Conduct for Prevention of Insider Trading

The Company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company and cautioning them on the consequences of non-compliance. The pieces of the price sensitive information are disseminated to the Stock Exchanges timely, adequately and promptly on continuous basis for prevention of Insider Trading. The Company Secretary has been appointed as Compliance

Officer and is responsible for adherence to Code for prevention of Insider Trading.

A copy of same has been posted at the Company's official website i.e. www.bharatgears.com.

Further, in terms of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements as stipulated in the said regulations. During the year under review, the Audit Committee, in its meeting held on 29 January, 2020 reviewed the same and verified that the systems for internal control for prevention of Insider Trading are adequate and are operating effectively.

K. Legal Compliance Reporting:

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations in terms of Regulation 17 of the Regulations. The Company has developed a very comprehensive Legal compliance manual, which drills down from the Senior Management Personnel to the executive-level person (who is primarily responsible for compliance) within the Company. The process of compliance reporting is fully automated, using the legal compliance software. System based alerts are generated till the user submits the compliance report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non compliance.

L. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Pursuant to Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) at all its Units (i.e. Faridabad, Mumbra and Lonand) where any grievance of sexual harassment at workplace can be reported.

The Company has also adopted a policy on Prevention of Sexual Harassment at workplace. The objective of the policy is to provide its women employees, a workplace free from harassment/discrimination and every employee is treated with dignity and respect. The said policy is available on the website of the Company i.e. www.bharatgears.com under the link <http://bharatgears.com/documents/policy-for-prevention-of-sexual-harassment.pdf>

During the Financial Year 2019-20, ICC of all units of the Company has not received any complaint pertaining to sexual harassment of women at workplace.

Status of Complaints as on 31 March, 2020:

Table-21

No. of Complaints filed during Financial Year 2019-20	NIL
No. of Complaints disposed of during Financial Year 2019-20	NOT APPLICABLE
No. of Complaints pending as on 31 March, 2020	NOT APPLICABLE

M. Certificate on Non-disqualification of Directors:

Certificate from a Company Secretary in practice to the effect that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

N. Fees paid to Statutory Auditors:

The details of fees paid by the Company to the Statutory Auditors of the Company and all entities in the network

Table-22

I. Disclosure on website in terms of Listing Regulations		Compliance status (Yes/No/NA)
Item		
Details of business		Yes
Terms and conditions of appointment of independent directors		Yes
Composition of various committees of board of directors		Yes
Code of conduct of board of directors and senior management personnel		Yes
Details of establishment of vigil mechanism/Whistle Blower policy		Yes
Criteria of making payments to non-executive directors		Yes
Policy on dealing with related party transactions		Yes
Policy for determining 'material' subsidiaries		NA
Details of familiarization programmes imparted to independent directors		Yes
Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances		Yes
Email address for grievance redressal and other relevant details		Yes
Financial results		Yes
Shareholding pattern		Yes
Details of agreements entered into with the media companies and/or their associates		NA
Schedule of analyst or institutional investor meet and presentations made by the Company to analysts or institutional investors simultaneously with submission to stock exchange		Yes
New name and the old name of the Company		NA
Advertisements as per regulation 47(1)		Yes
Credit rating or revision in credit rating obtained		Yes
Separate audited financial statements of each subsidiary of the Company in respect of a relevant financial year		NA
Whether Company has provided information under separate section on its website as per Regulation 46(2)		Yes
Materiality Policy as per Regulation 30		Yes
Dividend Distribution policy as per Regulation 43A (as applicable)		NA
It is certified that these contents on the website of the Company are correct		Yes

firm/network entity of which the statutory auditors are a part for the Financial Year 2019-20 are as follows:

Table-22

Particulars	For the year ended 31 March, 2020
Fees for audit and related services paid to S R B C & CO LLP	35.84
Other fees paid to the network firm of which the statutory auditor is a part	2.60
Total	38.44

O. Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations. Details of compliances are given below:

II. Annual Affirmations		
Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination and Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes
Composition of Stakeholders' Relationship Committee	20(1),20(2)& 20(2A)	Yes
Meeting of Stakeholders' Relationship Committee	20(3A)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2),(3)	Yes
Approval for material Related Party transactions	23(4)	NA
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of Company	24(2),(3),(4),(5) & (6)	NA
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	NA
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	Yes

P. Non-Mandatory Requirements:

The Company has set up a Finance Committee, details whereof are given in the Board Committee section of this report.

Q. Investor Relations:

The growing requirements of disclosure, transparency and corporate governance have made it imperative for Companies to manage information flow and communicate more effectively with shareholders. Investor Relations at BGL aims at seamless two way communication with the Investor Community. It is based on the tenets of transparency, accuracy and timeliness of disclosures. There is a conscious effort towards the effective dissemination of information to the shareholders to communicate the Company's long term vision and goals.

R. E-mail for investors:

The Company has designated investor@bglindia.com as e-mail address especially for investors' grievances. Alternatively, the investors can send their complaints/ requests at info@bglindia.com.

SEBI has commenced processing of investor complaints in a centralised web based complaints redressal system i.e. SCORES. The Company has supported SCORES by using it as a platform for communication between SEBI and the Company.

S. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's RTA. The said form can be obtained from the Company's RTA

or downloaded from the Company's Website http://bharatgears.com/documents/form_sh_13_nomination.pdf. The Shareholders who wish to change or cancel their nominations, if already made may send their requests in prescribed Form SH-14 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's RTA which can be obtained from the Company's RTA or downloaded from the Company's Website <http://bharatgears.com/documents/form-sh-14-validation-or-cancellation.pdf>.

Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

T. Updation of Shareholders information:

The Shareholders of the Company are requested to intimate their latest Residential Address along with the details of their Shareholding in "Updation of Shareholder's Information Form" which can be obtained from the Registered Office of the Company or downloaded from the Company's Website under the link http://bharatgears.com/documents/form-updation_shareholders_information.pdf.

The duly filled form for Updation of information may either be sent to the Company at its Registered Office or be hand-delivered at the Annual General Meeting of the Company.

For and on behalf of the Board of Directors

Surinder Paul Kanwar

Chairman and Managing Director

Dated: 28 June, 2020

DIN: 00033524

COMPLIANCE CERTIFICATE AS PER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have reviewed financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- 3) No transaction has been entered into by the Company during the above said period, which is fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever applicable:

- 1) Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;
- 2) Significant changes in internal control over financial reporting during the year 2019-20;
- 3) Significant changes in accounting policies during the year 2019-20 and that the same have been disclosed in the notes to the financial statements;
- 4) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Bharat Gears Limited

Milind Pujari
Chief Financial Officer

Surinder Paul Kanwar
Chairman and Managing Director

Dated: 28 June, 2020

COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted "Code of Business Conduct and Ethics" pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the Regulations"). This code deals with the Good Governance and ethical Practices, which the Company, the Board members and the Senior Management of the Company are expected to follow.

In terms of the Regulations, it is hereby affirmed that during the year 2019-20, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For Bharat Gears Limited

Prashant Khattry
Head (Legal) and Company Secretary

Surinder Paul Kanwar
Chairman and Managing Director

Dated: 28 June, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Bharat Gears Limited
20 KM Mathura Road, P. O. Amar Nagar,
Faridabad, Haryana - 121003

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharat Gears Limited having CIN: L29130HR1971PLC034365 and having registered office at 20 KM, Mathura Road, P. O. Amar Nagar, Faridabad, Haryana - 121003 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31 March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Nitin Rawat
Partner

AGB & Associates

Membership No.: F9050

CP No. 10554

UDIN: F009050B000307634

Place: Faridabad
Dated: 01 June, 2020

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Bharat Gears Limited

- The Corporate Governance Report prepared by Bharat Gears Limited (hereinafter referred to as "the Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C,D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31 March, 2020 as required by the Company for annual submission to the Stock exchanges and to be sent to the Shareholders of the Company.

Management's Responsibility

- The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

- Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
- We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate

Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on 31 March, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following meetings held 01 April, 2019 to 31 March, 2020:
 - (a) Board of Directors Meeting;
 - (b) Audit Committee Meeting;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee Meeting;
 - (e) Stakeholders' Relationship Committee Meeting;
 - (f) Corporate Social Responsibility Committee Meeting;
 - (g) Independent Directors Meeting; and
 - (h) Finance Committee Meeting.
 - v. Obtained necessary representations and declarations from directors of the Company including the independent directors;
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the Audit Committee meeting where in such related party transactions have been pre-approved by the Audit Committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report 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 statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31 March, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. 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

per Pramod Kumar Bapna

Partner

Membership Number: 105497

UDIN: 20105497AAAAB02615

Place: Mumbai

Dated: 28 June, 2020