BHARAT GEARS LIMITED
Geared for Life

Solidifying Fundamentals.
Steering Growth.

Annual Report 2020-21

Inside the Report

01-13

CORPORATE OVERVIEW

14-71

STATUTORY REPORTS

72-125

FINANCIAL STATEMENTS

Visit:
www.bharatgears.com
for more details on the Company

FORWARD-LOOKING STATEMENT

The information and opinion contained in this report do not constitute an offer to buy any of Bharat Gears Limited's securities, businesses, products, or services. The report might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', that we believe to be true at the time of the preparation of the report. The actual events may differ from those anticipated in these statements because of risk, and uncertainty of the validity of our assumptions. Bharat Gears Limited does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

At Bharat Gears, we have proved ourselves worthy in a year that presented many challenges for the world, and for India. We rose to those challenges, using them to accelerate our innovation, and have maintained profitability in the face of challenges. Our inherent strengths form the backbone of our Company and allow us to be on a strong footing. We have achieved consistent success by working extremely hard to sharpen our competitive edge on all fronts: operational efficiency; optimal use of assets; technology and manufacturing excellence; customer expansion and quality upgradation.

The proliferation of emerging technologies and the expected shift in automotive landscape offer exciting prospects. Consumer behaviour will change in numerous ways, from demanding more integrated digital experiences to prioritizing health and safety features across purchasing decisions. And we are well positioned to reap the opportunities stemming from the emerging realities and steer sustained growth.

Our internal resilience is based on cutting-edge research and development, world-class facilities, and a proven reputation in our business space. We are strengthening our core competencies by investing in technology upgradation and process innovations and growing our customer base, capacities, and sectoral footprint.

We are continuously enhancing the range of our high-technology products to strengthen presence in existing markets as well as newer ones.

We are -

Solidifying Fundamentals.
Steering Growth.

About Us

Established in 1971, Bharat Gears is one of India's largest commercial gear manufacturing company and amongst the leading global suppliers of automotive gears and heat treatment furnaces. We manufacture a wide spectrum of high-quality and highly engineered automotive gears for heavy, medium and light trucks, utility vehicles, tractors and off-highway vehicles.

Within five decades of our operations, we have emerged as a trusted partner for leading Original Equipment Manufacturers (OEMs) in India. We also enjoy a leading position overseas and are major exporters to North American, European, and Asian countries.

Highly efficient manufacturing processes, R&D competence, high-end collaborations with global technology leaders, together with a skilled and motivated workforce underpin our operations and enables manufacturing of reliable and quality products.

Our state-of-the-art manufacturing facilities are located at Mumbra near Mumbai; Faridabad near Delhi; and Satara near Pune.

Our Vision

We shall strive vigorously to delight our customers and stakeholders who are our very purpose, by pursuing excellence and innovation through committed teamwork. To this end, we shall promote continuous learning, achievement orientation and ethical business practices, which will make us shine as a global player.

Our Mission

To retain and reinforce our position as a leading Indian manufacturer of automotive gears and aggregates and meet the aspirations of customers in domestic and export markets. This will be achieved through on-time zero defect supplies backed by responsive service, empowered employees, vendor partners and satisfied investors.

Our Business Segments

Gears

We manufacture a wide array of ring gears and pinions, transmission gears and shafts, differential gears and assemblies which find application in a variety of vehicles. Our well-equipped and modern manufacturing facilities enable us to produce the finest gear and transmission products.

Furnaces

We ventured into the construction of furnaces for captive use initially, and thereafter, moved into its commercial production by leveraging our expertise in heat treatment technology. We continue to build batch and continuous heat-treating furnaces in collaboration with technology major AFC – Holcroft of Michigan, USA. These furnaces are time-tested for reliability, and are known to be operator-friendly, easy and economical for use in Indian conditions.

Automotive Components

Under this segment, we offer automotive products such as automotive clutches and components, turbo chargers and components, driveline products, axle shafts, fly wheel assemblies and rings, propeller shaft components, U-J Cross, steering components, differential cages and steel wheel rims. Our manufacturing capabilities along with our customer-centricity have made us a preferred player in the replacement market.

Our Customer Portfolio

We have a diverse customer base in the realm of tractors, utility vehicles, commercial vehicles, and construction equipment industries. Our customers are some of the most eminent and distinguished automobile players in India and abroad.

Customers for Gears

Agriking Tractors & Equipments (P) Ltd.	Ashok Leyland Limited	Carraro India, Italy, China	CLAAS Tractor SAS France, Hungary
KION, India	Mahindra & Mahindra Ltd.	CNH Industrial India Pvt Ltd	Paharpur Cooling Towers Ltd.
Tractors and Farm Equipment Ltd.	Tuff Torq	Toyota Kirloskar Auto Parts Ltd.	VST Tillers & Tractors
TATA Motors Ltd.	Mahindra & Mahindra Ltd., Swaraj Division	Parker	Escorts Kubota India Private Limited
JCB-India, UK	John Deere - India, USA, Spain, Mexico, Brazil, Germany	SML ISUZU Ltd.	Transaxle Manufacturing of America (TMA) USA
Schafer Driveline LLC, USA	EATON Corporation - India, USA, Mexico, Poland, Brazil	DANA Anand India Pvt. Ltd.	Escorts Ltd.
TürkTraktör	ZF India, USA, Germany	YANMAR	

Customers for Furnace

AAM India Manufacturing (American Axles)	Oerlikon Drive Systems
Varroc	Automotive Axles Ltd.
Timken India	Mahindra & Mahindra Ltd.
AVDHOOT	

Dealers Network

Our dealer network comprises 71 dealers across 22 states covering the entire domestic geography and 3 sales offices at Delhi, Mumbai, and Kolkata.

Business Strengths

- Robust engineering capabilities
- Adherence to highest ethical standards
- Technology edge
- Quality products and services
- Deep customer understanding
- Highly motivated and skilled team

Milestone Moments in Our Journey

1972 Laid the foundation stone at Mumbra Plant

1974 Inaugurated Hypoid Plant and commenced production with 'Gleason Machines'

1980 Installed first 'Oerlikon Spiromatic Generator' | Became one of the first companies in India to have both cutting systems under one roof

1981 Signed agreement for technical collaboration with AFC-Holcroft of USA for construction of furnaces in India

1985 Entered into technical and financial collaboration agreement with ZF Friedrichshafen AG, Germany (till 2007)

1987 Delivered ZF S6-36 Gears & Shafts to Ashok Leyland and ZF Friedrichshafen AG, Germany | Started assembly of ZF S5-24 Gear Boxes for Ashok Leyland

1988 Started business with DANA Corporation, USA

1994 Received ISO 9002 certification

1996 Crossed ₹ 1 billion revenue mark

1998 Laid the foundation stone at Faridabad Plant

2000 Commenced commercial production at Faridabad Plant | Received QS 9000 certification for Mumbra Plant

2004 Started supply to Toyota Kirloskar Auto Parts from Faridabad Plant | Received ISO 14001 certification for Faridabad Plant

2005 Faridabad and Mumbra plants received TS 16949 certification

2008 Introduced Dry Cut Hobbing process

2009 Introduced Klingelnberg Close Loop CNC Gear Measuring system

2010 Introduced Bevel Gear dry cutting process with close loop technology

2011 Received OHSAS 18001 certification for Faridabad Plant

2012 Laid the foundation stone at Lonand Plant

2014 Commenced commercial production at Lonand Plant

2015 Received TS 16949, ISO 14001 and OHSAS 18001 certifications for Lonand Plant

2018 Received IATF 16949 certification for all three plants

2019 Second Phase of Lonand Plant completed

Introduced Single flank testing Machine (MTE)

Introduced CGCF with Robotic Automation

Chairman and Managing Director's Communiqué

OUR CONSISTENT FOCUS IS ON CREATING TECHNOLOGICAL BREAKTHROUGHS FOR OUR CUSTOMERS. IN LINE WITH THIS STRATEGY, WE CONTINUE TO LEVERAGE OUR EXISTING COMPETENCIES IN TECHNOLOGY AND ENGINEERING TO EXPLORE NEW GROWTH OPPORTUNITIES.

Dear Shareholders,

I hope this letter finds you and your loved ones healthy and safe. This year was certainly challenging but it saw us proving our mettle once more. The pandemic induced disruptions have compelled businesses worldwide to rethink their strategies and change the course of actions.

The impact of the COVID-19 crisis on the global as well as domestic economy has been unprecedented and largely disruptive. Overall business environment remained muted with demand slackening in almost all sectors. However, the second half of the year saw a quicker and remarkable recovery due to unlocking of restrictions, pick-up in economic activity, favorable government reforms, and mass disbursement of vaccine to halt the spread of the virus. A rebound in the industrial activity, rising production and consumption, higher goods and services tax revenue collections and improvement in the availability of finance have added buoyancy in the economic activity. Uncertainty about the third wave of coronavirus infections along with subsequent restrictions may derail the economic recovery.

The Indian automotive industry is the pillar of the manufacturing sector. The COVID-19 pandemic and the strict lockdown measures put brakes on the growth of the industry, with sales declining across all categories. Already battered by a prolonged slowdown before the pandemic due to factors such as regulatory changes and migration to BS-VI emission norms, liquidity constraints, and weaker demand environment; the sector now seems to be showing signs of recovery.

While the first quarter of the year was significantly stressed, with unlocking of the economy, the consumer sentiment revived, and sales of vehicles witnessed improvement in the second half. Strong rural demand, preference for personal mobility, new product launches, and availability of finance have lent momentum to the industry and are indicators of buoyant demand. Recovery from the COVID-19 crisis has created a unique situation in which automakers will reinvent their strategies and emerge stronger, both within India and globally.

Through this period of economic uncertainty, we remained committed to demonstrating resilience- strengthening our capabilities and setting ourselves on a firm footing for sustainable value creation and growth.

Our Performance

Operations of the Company were affected in the initial months of the financial year because of nationwide lockdown implemented by Government of India to curb the spread of COVID-19 pandemic. Post lockdown offtake from customers has been robust. As a result, overall sales volume showed an upward trajectory on the back of strong demand from OEMs. Revenue from operations for the year has increased to ₹ 504.40 crores from ₹ 468.00 crores by 8% in comparison to the corresponding year.

Operations for FY21 resulted in EBITDA of ₹ 37.17 crores vis-à-vis an EBIDTA of ₹ 23.51 crores for FY20. The improvement is largely on account of increase in contribution due to higher volumes. This was partially set-off by higher incidence of premium freight.

Battling COVID-19 crisis

Our operations were severely impacted by the pandemic which resulted in an interruption to the production due to the shutdown of our facilities and offices. During the lockdown, we had been monitoring the situation closely and were in constant touch with our suppliers, vendors, and customers to ensure their demands are met. However, labour availability began increasing quickly once the lockdown was eased, and further, by May 2020, majority of our operations had seen resumption of activity.

As a responsible organization, we stepped up and ensured utmost safety of our people and surroundings. We have been disseminating vital information on the pandemic and ensuring adherence to the best health and hygiene practices at our plants and offices. We provided adequate systems to our employees so that they can operate smoothly out of their homes, thus ensuring business continuity.

Strengthening Capabilities

Our journey over the past decade has been about investing in the future and capability enhancement while simultaneously strengthening the balance sheet. We have the same focus today - accelerating innovation and leveraging technology to offer niche products and solutions to diverse industries and OEMs globally.

Every crisis also presents a unique opportunity to improve things internally. Keeping this in mind, we have effectively managed this downturn and emerged stronger than before. We have halted new capex. As we have built sufficient capacity, our focus is on effectively filling the capacity to develop new products and fulfill customer requirements.

We have also undertaken multiple cost reduction exercises across the organization. This, we expect, will result in significant cost optimization and improvement in margins and profitability. On the other hand, our focus on R&D investment and portfolio expansion remains undeterred.

We, at Bharat Gears, are systematically digitizing our operations and enhancing our manufacturing capabilities to improve operational efficiencies. Our consistent focus is on creating technological breakthroughs for our customers. In line with this strategy, we continue to leverage our existing competencies in technology and engineering to explore new growth opportunities. Technology upgradation and process innovations are the key focus areas for us. Through retrofitting and refurbishing of machines, we aim to continuously enhance our productivity and efficiency.

At the same time, we are leveraging our relationships with existing customers in India and overseas to increase our product range with each of the customers. We are also engaging with newer customers to strengthen our presence and market share. Strong technical capabilities and vast expertise have made us a highly endorsed partner in the automotive industry.

What is even more interesting is that we are constantly at the lookout to include new and innovative products to keep up with the customer trends. We are eyeing opportunities in laser hydraulic parts and components for passenger cars as well as tapping the replacement market.

Another important focus area for us is to capitalize on the opportunities emerging from electric and hybrid vehicles by leveraging our domain expertise. E-mobility is a mega trend and the future of the automobile industry. With the evolving norms in the backdrop coupled with the fact that India is amongst the world's fastest growing market for automobiles, we foresee tremendous opportunities in this space. The current situation is expected to accelerate the rate of adoption of electric vehicles in the medium term as customers look for environment-friendly and cost-effective mobility solutions.

Business Outlook

The outlook for the economy seems favourable with revival in consumer sentiment, strong policy support and positive vaccination drives. The recently announced national budget has rightly focused on some of the key elements that will be foundational for charting India's growth pathway. Special focus and fund allocation for infrastructure in rural areas; digitization across the agriculture value chain; improvement of healthcare outcomes; vehicle scrappage policy – are all expected to pump-prime the economy, along with agriculture and construction sectors.

We constantly strive to innovate to optimise the product portfolio, while strengthening manufacturing capabilities and keeping pace with technological developments. Equipped with strong fundamentals and technological expertise, we are well-placed to capture the emerging opportunities and drive sustained growth.

Conclusion

I take this opportunity to express my sincerest gratitude to our employees, customers, partners, business associates and all our stakeholders for their unwavering trust and support. We continue to drive consistent value for our stakeholders and scale new echelons of success.

Warm Regards,

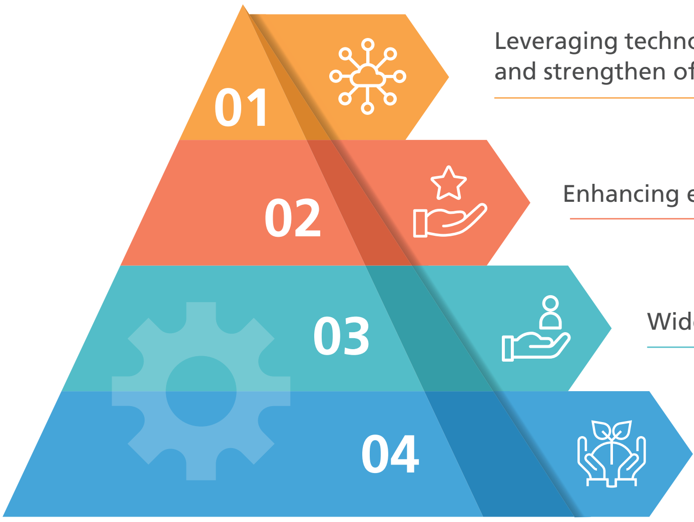
Surinder Paul Kanwar

Chairman & Managing Director

Positioning Ourselves for Growth

Bharat Gears works continually to improve productivity by enhancing capabilities, optimizing costs, upgrading technology and processes, growing presence and customer base, and develop pioneering solutions. This strengthens our competitiveness and enhances our financial performance. With a diverse presence in products, customer segments, and geographies, we are well-placed to seize the unfolding opportunities and deliver growth.

Our strategic priorities



01 Leveraging technology and automation to optimize costs and strengthen offerings

02 Enhancing efficiencies and product quality

03 Widening customer base and footprint

04 Delivering improved performance and sustain growth

Strengthening R&D and Manufacturing Excellence

R&D is the cornerstone of our technological expertise, the enabler for products with enhanced functions and upgraded quality. Our technical capabilities enable us to provide value engineering products and solutions to our customers. Along with giving customers innovative solutions, we constantly find new ways and means to achieve greater efficiency by harnessing digitization and new-age technologies. In addition, we leverage our technological strength in our processes, people, and components to scale performance and drive sustained growth.

A high level of automation is maintained at our manufacturing facilities, enabling us to create low-cost solutions and ensure optimal process efficiency. We use robotics in furnaces division to reduce manual intervention as much as possible. Further, we have been

implementing low-cost automation solutions, upgrading gear cutting and grinding machines and altering our tooling and manufacturing techniques and equipment to achieve higher productivity. Automation not only minimizes costs and accident risks, but also improves product quality.

Expanding Customer Segments

Customer satisfaction is our top priority and one of the key factors behind our sustained progress. Our approach of quality, cost, delivery, and development encompasses all the requirements of our clients, helping us earn their trust. We intend to engage with new customers to expand our presence and increase our share of business. Our strong market understanding and technical capabilities have made us a highly preferred partner in the automotive industry.

By leveraging our domain expertise, we are exploring opportunities in the emerging areas of electric and hybrid vehicles and intend to capture the same. With the fast-evolving norms surrounding electric mobility coupled with the fact that India is amongst the world's fastest growing market for automobiles, we foresee tremendous opportunities in this space. The aftermarket business is also a significant area that we are eyeing for growth. We are excited about all the new business coming our way, and remain confident of driving sustained profitable growth.

Business Optimization and Cost Rationalization

We are undertaking multiple cost control initiatives, including enhancing processes, using efficient alternative resources, rationalizing manpower at facilities, among others. Taking account of lower capacity utilization due to demand slowdown, we have worked towards better production planning and are utilizing the opportunity to implement various digital initiatives across our manufacturing locations. Our aim is to optimize production and improve process efficiency.

Worldwide, all markets and sectors are facing deep uncertainty as to the impact of the COVID-19 pandemic, both in severity and duration. Nonetheless, our ability to navigate through the challenges underscores the strong fundamentals of the business. We are making continual progress in fine-tuning our new ways of operating, within the new constraints of social distancing and protection of our staff, to drive improving profitability. With the strengthening of our capabilities coupled with the gradual rebound in economic conditions, we approach the year ahead with confidence.

Towards Betterment of Communities

Corporate Social Responsibility (CSR) is a key pillar of our holistic development strategy. At Bharat Gears, we are committed to uplift the communities in which we operate for building an inclusive society.

Our CSR initiatives are implemented through partnerships with reputed NGOs in line with the Company's CSR policy under the guidance of the Board. Healthcare, Hunger, Education, Environment, and Infrastructure Development form our major focus areas.

Key activities conducted during the year under review include:

- Provided patrolling vehicle(s) to the local police for road safety patrolling to sensitize citizens on appropriate traffic regulations and road sense via fully equipped PCR vehicles in Faridabad. The road safety initiative was implemented with the intent to educate the masses and spread awareness among those with limited or no access to awareness aids on road safety and dealing with traumatic situations after accidents
- Donated to "Vidya Jagat Cancer Foundation" as part of the initiative on Preventive Health Care
- Donated to "Sarvam Foundation" towards Women Empowerment
- Donated to "Lawrence School Sanawar Society" for promoting Education and Sanitization
- Donated to "Save Aravali Foundation" as contribution towards environment sustainability
- Donated to "Robin Hood Army, Faridabad" for distribution of food and foodgrains to needy people in local areas

Through our meaningful interventions, we aim to create sustainable livelihoods and empowerment at the grassroots level.

Board of Directors

Mr. Surinder Paul Kanwar
Chairman and Managing Director

Mr. Sameer Kanwar
Joint Managing Director

Mr. Wolfgang Rudolf Schilha
Non-Executive Independent Director

Mr. Rakesh Chopra
Non-Executive Independent Director

Mr. Virendra Kumar Pargal
Non-Executive Independent Director

Ms. Hiroo Suresh Advani
Non-Executive Independent Director

Mr. Nagar Venkatraman Srinivasan
Non-Executive Director

Senior Management

Mr. Naresh Verma
Corporate Head - HR & Operations

Mr. Milind Pujari
Chief Financial Officer

Mr. Jagdeep Singh
Business Head - After Market

Mr. K.K. Deshpande
Head - OE Marketing & Business Development

Mr. Prashant Khattry
Head - Legal & Company Secretary

Corporate Information

Board of Directors

Executive Directors

Mr. Surinder Paul Kanwar
Chairman & Managing Director

Mr. Sameer Kanwar
Joint Managing Director

Non-Executive Director

Mr. Nagar Venkatraman Srinivasan

Independent Directors

Mr. Wolfgang Rudolf Schilha
Mr. Rakesh Chopra
Mr. Virendra Kumar Pargal
Ms. Hiroo Suresh Advani

Audit Committee

Mr. Rakesh Chopra, Chairman
Mr. Virendra Kumar Pargal
Ms. Hiroo Suresh Advani

Stakeholders' Relationship Committee

Mr. Rakesh Chopra, Chairman
Mr. Sameer Kanwar
Mr. Nagar Venkatraman Srinivasan
Mr. Surinder Paul Kanwar

Nomination & Remuneration Committee

Mr. Virendra Kumar Pargal, Chairman
Mr. Rakesh Chopra
Mr. Surinder Paul Kanwar
Mr. Nagar Venkatraman Srinivasan

Corporate Social Responsibility Committee

Mr. Surinder Paul Kanwar, Chairman
Mr. Sameer Kanwar
Mr. Rakesh Chopra

Finance Committee

Mr. Rakesh Chopra, Chairman
Mr. Surinder Paul Kanwar
Mr. Sameer Kanwar
Mr. Virendra Kumar Pargal

Auditors

S R B C & CO LLP
Chartered Accountants

22, Camac Street, Block 'C',
3rd Floor, Kolkata - 700 016

Bankers

State Bank of India
IDBI Bank Limited

NBFC

KKR India Financial Services Limited

Registrar & Transfer Agent

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot NH 2,
C-1 Block LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110 058

Plant Locations

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

Registered Office

20 K.M. Mathura Road, P. O. Amar Nagar,
Faridabad - 121 003, Haryana

Corporate Office

14th Floor, Hoechst House,
Nariman Point, Mumbai - 400 021

Branch Office

1009, Surya Kiran Building,
19, Kasturba Gandhi Marg,
New Delhi - 110 001

G-6, 1, Crooked Lane,
Kolkata - 700 069

Management Discussion and Analysis

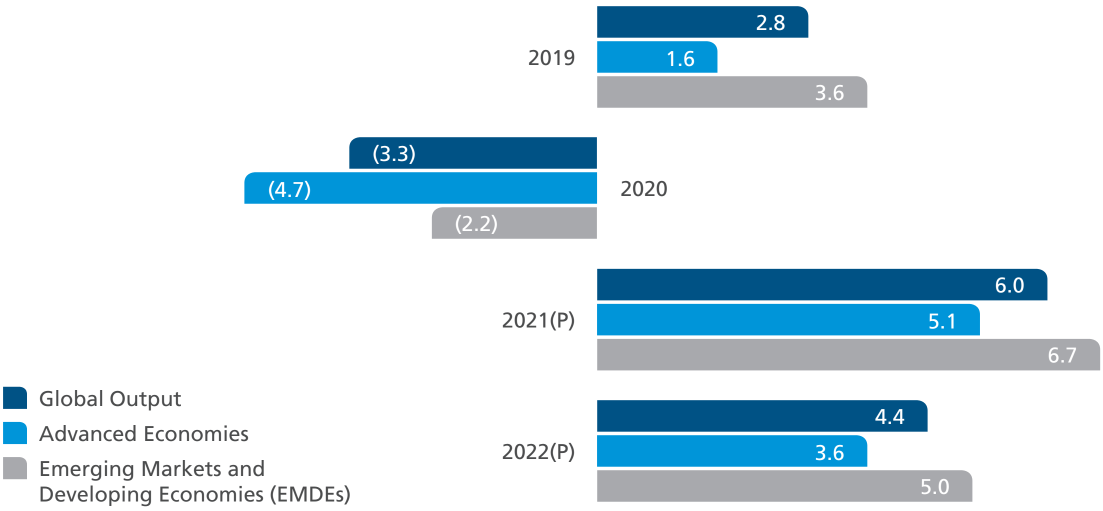
Economic Review

Global Economy

Calendar Year (CY) 2020 marked an unprecedented collapse in the global economy as the outbreak of novel Coronavirus (COVID-19) pandemic towards the end of CY 2019 inflicted severe humanitarian costs on the world. To tackle the health emergency, all major economies announced nationwide lockdowns, border shutdown and social distancing norms, bringing economic life to a standstill. This resulted in a global economic growth to contract by 3.3% as against 2.8% growth witnessed in CY 2019, marking one of the financial crises.

(Source: https://www.cnbc.com/2020/03/20/analyst-anticipates-worst-crisis-since-1929-amid-recession-fears.html)

Global Economic Growth: Actual and Projections (%)



Source: IMF World Economic Outlook, April, 2021, P = Projections

The softening in early 2021 is expected to give way to rising momentum in the latter half of the year as vaccines and therapies become more readily available, allowing contact-intensive activities to strengthen. Advanced economies decreased by 4.7% in 2020 but are expected to grow at 5.1% in 2021. Emerging markets witnessed lower economic impact than advanced economies in 2020 at 2.2% contraction and higher expected growth at 6.7% in 2021.

Following the devastating health and economic crisis, posed by the second and subsequent wave of the pandemic, the global economy appears to be emerging from one of its deepest recessions. Substantial fiscal and monetary stimulus packages released by the governments and central banks across the globe have been playing a pivotal role in this recovery. Backed by improving business environment post lockdown relaxations, increasing labour and product market availability, and the governments' thrust on augmenting economic and trade activities, the global recovery is expected to gain traction moving forward. Successful vaccination programmes are expected to further boost investor sentiments leading to kickstart private capital inflows and fixed capital formation. Backed by the improving macro-economic indicators, the International Monetary Fund (IMF) estimates the global economy to grow at 6.0% in CY 2021.

Indian Economy

India was amongst the few countries that went into a nationwide lockdown post the pandemic, and after that, the economy unlocked in phases. Mobility restrictions and social distancing led to unparalleled supply-chain disruptions and consumer demand fallout. In the second half of FY 2020-21, restrictions on inter-state movements were lifted to ensure mobility of goods, thereby easing supply-side pressures. This is also reflected in the industrial activity pick-up. Stronger vehicle sales, rising finished steel production and diesel consumption, higher goods and services tax revenue collections and improvement in the availability of finance from banks and internal sources suggest that even though economic activities are still below the pre COVID-19 levels due to the second wave of the pandemic, pent-up demand and festivities have added to buoyancy in economic activity.

[Source: The Ministry of Statistics and Programme Implementation ***(MoSPI)****]*

The second advance estimates of National Income for FY 2020-21 by the National Statistics Office indicate real GDP contraction at 8% for FY 2020-21 distorted on account of significant growth of subsidies. The recovery in economic activity and improved investor sentiments are a result of impactful reforms undertaken by the government since March 2020. To boost the economy, the government has initiated several investment focused spending programmes like the National Infrastructure Pipeline, demand-driven capex, and the Centre's Production-Linked Incentive (PLI) scheme. As a result of recovering investor sentiment, recovery in manufacturing and construction, investment focused government spending and massive vaccination drive, India's GDP growth is likely to rebound sharply to 12.5% in FY 2021-22 supported by strong fiscal and quasi-fiscal measures, making it the fastest-growing economy in the world, as per Organisation for Economic Co-operation and Development (OECD).

(Source: World Bank, CSO provisional estimates)

COVID-19 and Self-Reliant India

The Government announced a special comprehensive package of ₹ 20 trillion, equivalent to 10% of India's GDP under 'Self-Reliant India' movement to revive the country's economic activity. The economic package is for different strata of the economy including industries, MSMEs, common people with the aim to cover land, labour, and liquidity-related issues. The organizations have been assisted with collateral-free loans for businesses to revitalize the economy. With the government's focus on "Make in India" initiative, customs duty has been increased on import of electrical appliances, to de-incentivize their imports.

As per the Union Budget 2021-22, fiscal deficit is expected to be 3.8% of GDP in FY 2020-21 and 3.5% in FY 2021-22. This is higher than 3.3% and 3% envisaged for FY 2020-21 and FY 2021-22 respectively, in the Union Budget 2020-21. The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory. The fiscal and monetary stimulus provided by the government and RBI would assist greatly in the recovery of the economy. Despite the challenges posed by the second wave of the COVID-19 in FY 2020-21, the outlook for FY 2021-22 seems promising largely due to relaxations in lockdowns, normalization of economic activities, thrust on reviving manufacturing and infrastructure sector, the country's increasing prominence in the global supply chain and vaccination roll out. Corrective measures taken by the government are expected to offer a sustained long-term recovery of the economy with challenges in the hindsight.

(Source: https://www.bloombergquint.com/business/budget-2020-government-to-revise-fy20-fiscal-deficit-to-38)

(https://www.financialexpress.com/economy/rbi-mpc-monetary-policy-committee-repo-rate-interest-rate-inflation-growth-covid-19-governor-shaktikanta-das-fy22/2228324/)

Industry Overview

1. Tractor Industry

   The Tractor industry has been a barometer for the state of rural economy in India. Indian tractor industry is relatively nascent but has become the largest market worldwide (excluding sub 20 hp belt driven tractors used in China) accounting for one third of the global production. The Agriculture sector in India has traditionally been one of the largest employment generators employing almost 45% of the population and contributing to almost 15% of the GDP. Indian tractor industry, a key component of agricultural equipment sector has tremendous potential to grow. The government initiatives regarding rural development and farm mechanization along with various factors such as enhancing rural wages and scarcity of farm labour are likely to increase the tractor volumes over the long term.

(Source: https://www.businesswire.com/news/home/20190215005271/en/Indian-Agricultural-Tractor-Market-2019-2023---Market-Dynamics-Competitive-Landscape-OEMs-Strategies-Plans-Trends-Growth-Opportunities-Market-Outlook---ResearchAndMarkets.com)

Industry Growth Trend

The tractors market was valued at USD 66.5 billion in 2020, and it is expected to reach USD 87.45 billion by 2026, projecting a CAGR of 4.68%, during the forecast period, 2021-2026. The market was negatively impacted by COVID-19 with reduced sales of tractors across the world due to lockdown. The adoption rate of mechanization in the agricultural sector has been gradually resulting in significant growth of the tractor industry at 7-9% in FY 2021-22.

(Source: https://auto.economictimes.indiatimes.com/news/automotive/farm-equipment/will-the-tractor-industry-lose-its-sheen-in-fy22/82210892)

Tractor Sales in India (Units)

Year	Sales	% Growth
2018	7,96,873	21%
2019	8,78,476	10%
2020	7,81,065	-11%
2021	9,65,231	24%

(Source: The Tractor and Mechanisation Association (TMA))

Tractor industry continues to perform remarkably well despite the slowdown in most of the other auto sectors. The tractor segment has a shown significant growth in the COVID-19 era with sales increasing exponentially. The spike in sales is attributed to factors like better monsoon season, easy finance availability, increased Minimum Support Prices (MSPs) and market rates realization. The growth in sales in the rural agricultural sector was relatively unaffected by the COVID-19 pandemic unlike urban areas.

Future Growth Drivers and Outlook

With the robust rebound in rural sentiments, the domestic tractor industry has witnessed a healthy traction in FY 2020-21 after remaining in negative territory in the last fiscal year. The income from the farm has witnessed a healthy growth due to relatively less impact of the pandemic on the rural market combined with the government's efforts towards farm mechanization. This, in turn, has contributed to a significant growth in tractor sales.

Key growth drivers for the agriculture and equipment sector are:

- The allocation to the Rural Infrastructure Development Fund has been increased from ₹ 30,000 crores to ₹ 40,000 crores. The Micro Irrigation Fund, with a corpus of ₹ 5,000 crores has been created under NABARD will be doubled.
- Keeping in view the transparency and competitiveness that e-NAM has brought into the agricultural market, 1,000 more mandis will be integrated with e-NAM.
- Retrospective concessional GST rate of 12% has been prescribed on supply of the pulley, wheels and other parts and used as parts of agriculture machinery from 1 July 2017 to 31 December 2018.
- Increased allocation of ₹1.6 lakh crores towards agriculture and allied sectors.
- A Village Storage Scheme is proposed that will provide farmers a good holding capacity and reduce logistics cost.
- The increase in the agriculture credit with a target of ₹ 16.5 lakh crores and the allocation of infrastructure fund for the development of APMCs to ensure there is no shortage of resources.

[Source: (https://www.businesstoday.in/union-budget-2021/columns/budgets-agriculture-sector-announcements-reiterate-govts-rural-focus/story/430530.html) & (The Union Budget 2021-22)]

A stable outlook for the tractor industry is estimated as per the Information and Credit Rating Agency (ICRA), with the impact of the pandemic and accompanying lockdowns on the demand prospects expected to be relatively limited. Amid all the crisis, an expectation of growth in agricultural output remains a silver lining and is expected to result in healthy cash flows for the farming community which in turn will be favourable for the tractor industry. The outlook for the kharif season also remains favourable as per the rating agency in line with Indian Meteorological Department's forecast of a normal monsoon. Favourable moisture conditions, seasonally high reservoir levels and adequate availability of labourers across most regions coupled with various agri-focused initiatives of the government are expected to support farm cash flows and tractor industry volumes. While uncertainty continues to exist in relation to the time taken for the pandemic to subside, a stable outlook is envisioned for the tractor industry.

(Source: https://www.thehindubusinessline.com/economy/icra-maintains-stable-outlook-for-tractor-industry-expects-covid-impact-to-be-limited/article32240995.ece)

2. Construction Equipment Industry

India is expected to become the world's third largest construction market by 2022. India's construction equipment market is projected to cross USD 4.7 billion by 2025. There is a linear relationship between the growth in infrastructure sector and the construction equipment industry as a large part of construction demand comes from the infrastructure projects. The government initiatives focused on infrastructure development are further boosting the demand for construction equipment in India. In addition to this, the government is also supporting the construction equipment market by liberalizing taxation policies for construction industry such as GST and customs duty. However, the global economic slowdown and spread of COVID-19 pandemic pose imminent challenges for Indian construction equipment market.

(Source: https://www.ibef.org/industryinfrastrucure-presentation)

Key Growth Drivers

A few initiatives in the infrastructure sector which are likely to boost the growth in construction and construction equipment sector are as follows:

- **National Infrastructure Pipeline (NIP)**

  The National Infrastructure Pipeline (NIP) for FY 2019-25 has been a first-of-its-kind government's exercise to provide world-class infrastructure to citizens and improving their quality of life. It aims to improve project preparation and attract investments into infrastructure. The government has extended its ₹ 111 lakh crores (USD 1.5 trillion) in National Infrastructure Pipeline to cover more projects by 2025. The NIP was launched with 6,835 projects which has further been expanded to total of 7,400 projects in the Union Budget 2021-22.

  (Source: https://www.bloombergquint.com/business/budget-2021-national-infrastructure-pipeline-expanded-to-cover-7400-projects)

Share of Centre, States and the Private Sector investment in the NIP

Centre	39%
States	40%
Private Sector	21%

Construction-related sectors such as urban and housing, railways, roads, and rural infrastructure account for a major share of NIP investment. A financing gap of 15-17% is estimated, of which 6-8% is estimated to be bridged by asset monetization and new Development Finance Institutions (DFIs). The source of funding for the balance 10% remains uncertain, as the government's priority has been to fight the pandemic and the disruptions caused due to it. With the fiscal constraints, the investment in infrastructure may get delayed but the NIP remains a critical endeavour towards construction development.

- **Roads and highways projects**

  Roads and highways have been the primary growth driver for construction equipment industry. The government aims to construct 65,000 kms of National Highways at a cost of ₹ 5.35 lakh crores (USD 741.51 billion) by 2022. Road sector accounts for 18% of the capital expenditure. In April 2020, the government has set a target of constructing roads worth ₹ 15 lakh crores (USD 12.80 billion) over the next two years. *(Source: IBEF)*

- **Real estate and housing development**

  The Indian real-estate sector has been revamped by series of reforms with the enforcement of the Real Estate Regulatory Authority (RERA) and relaxation of Foreign Direct Investment (FDI) norms. To incentivize home buyers and real estate developers safe harbour limit has been increased from 10% to 20% for the specified primary sale of residential units. The affordable housing projects have been given an extension to avail a tax holiday till 31 March 2022, to balance the supply of affordable houses. The ongoing government initiatives like Pradhan Mantri Awas Yojana (PMAY), Smart City Project will further boost the growth in construction activities and equipment sector.

  (Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1672636)

- **Port development**

  The Government aims to develop a global standard port network across the Indian coastline through encouraging 100% FDI investment for the construction and maintenance of ports, allowing a tax holiday for 10 years and up to 50% financial aid – subject to a maximum of USD 3.88 million (₹ 25 crores) – for investing companies. Sagarmala Programme with more than 574 projects (Cost: ₹ 6.01 lakh crores) have been identified for implementation during the year 2015-2035 for port modernization and new port development.

  (Source: http://sagarmala.gov.in/projects/projects-under-sagarmala#:~:text=6.01%20Lacs%20Cr.)%20have%20been,121%20projects%20(cost%3A%20Rs.)

- **Diamond Quadrilateral Project**

  The Diamond Quadrilateral Project was announced in the Railway Budget 2014-15 to undertake planning of connecting major metros and growth centers of the country through high-speed trains. The Indian Railways has collaborated with the government of Japan for the construction of a high-speed passenger train corridor between Ahmedabad and Mumbai. The government has set a target of commencing the train by 2023.

The High-Speed Rail (HSR) project apart from being technologically advanced, would afford many quantifiable benefits like saving in travel time, vehicle operation cost, job creation and reduction in pollutants. The project would also boost the infrastructure and add to the growth of economy. The Railway Ministry has issued directives to National High Speed Rail Corporation Limited (NHSRCL) to draft a Detailed Project Report (DPR) for high-speed rail corridors across India.

The speed and strength with which COVID-19 has struck construction sector is unprecedented. Profound economic consequences like projects being delayed or cancelled, supply chains under threat, employee and subcontractor labour health have been areas of concern, and there are practical challenges around social distancing on construction sites. Amidst all challenges, demand pickup, combined with fiscal and monetary support is likely to revive the sector in the long run.

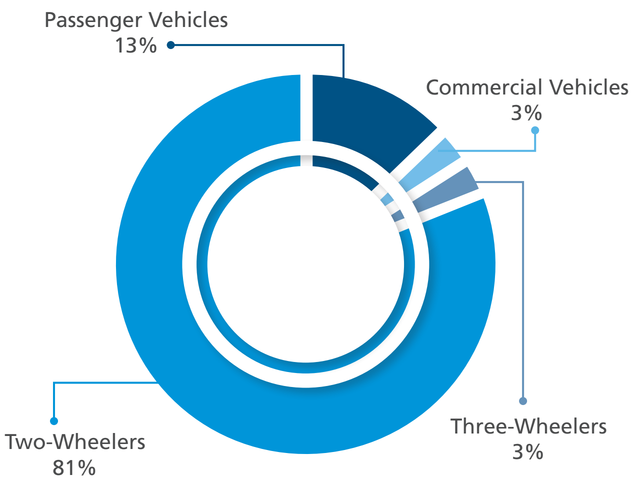
(Source: https://www.pwc.com/gx/en/issues/crisis-solutions/covid-19/engineering-construction-post-covid-world.html)

- Domestic Automobile Industry

The Indian automobile sector is the world's fourth largest auto market in terms of sales and production. The Indian automobile sector is comprised of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and others. To encourage foreign investment in the automobile sector, the Government of India has allowed 100% foreign direct investment (FDI) under the automatic route. The industry has clocked healthy growth rate owning to robust economic activity and infrastructure development, growing middle-class population with increasing income and availability of easy finance. Availability of low-cost skilled labour, research and development support and easy availability of raw materials are other drivers that have been augmenting the industry growth.

(Source: https://www.ibef.org/industry/india-automobiles.aspx)

Domestic Market Share for FY 2020-21
(By production volume)



Domestic Automobile Production Trends (Units)

Category	FY 2020	FY 2021	Change (%)
Passenger Vehicles	34,34,013	30,62,221	-10.83
Commercial Vehicles	7,52,022	6,24,939	-16.90
Three-Wheelers	11,33,858	6,11,171	-46.10
Two-Wheelers	2,10,36,294	1,83,49,941	-12.77
Quadricycle	6,095	3,836	-37.06
Grand Total	**2,63,62,282**	**2,26,52,108**	**-14.07**

(Source: Society of Indian Automobile Manufacturers (SIAM))

FY 2020-21 proved to be a challenging year for the industry on account of a sharp contraction in the automotive industry. The lower production was attributed to falling domestic demand, mostly driven by economic slump in the domestic markets, financing difficulties and a negative buying sentiment. The COVID-19 pandemic put further pressure on India's automotive sector creating supply chain disruptions. There has been a delay in the production and delivery of BS-IV compliant vehicles because of the closure of auto parts factories in China. The future trends remain uncertain on account of the challenges of introducing electric vehicles (EVs) and the impact of BS-VI enforcement. Despite the challenges posed by COVID-19 in FY 2020-21, the outlook for FY 2021-22 seems promising largely due to relaxations in lockdowns, normalization of economic activities, successful vaccination programmes, thrust on manufacturing and infrastructure sector, and the country's increasing prominence in the global supply chain.

The Company invests on upgrading machines with latest technological advanced features to reduce downtime and improve output quality.

The growing trend towards electric and autonomous vehicles has opened an array of opportunities in this pandemic situation to overcome the financial crisis. The diverging markets, change in consumer preferences and changing industry landscape will help the industry to grow. As a positive development, the new social distancing norms are likely to boost demand for entry level passenger vehicles and two-wheelers as people will tend to prefer individual vehicles rather than shared transport post COVID-19 outbreak.

Company Review

Bharat Gears Limited (hereinafter referred to as "BGL" or "the Company") is one of the largest gear manufacturers in India. The Company is a leading supplier of automotive gears for heavy, medium, and light trucks, utility vehicles, tractors and off-highway vehicles in India and exports to North American, European, and Asian countries. BGL, apart from being a key provider of heat treatment furnaces, also manufactures other automotive components. The Company's product mix can be categorized as below:

Product Portfolio

Products

Gears – Ring Gears and Pinions, Transmission Gears & Shafts, Differential Gears, Gear Boxes

Heat Treatment Furnaces - Sealed Quench Furnace Lines, Pusher Continuous Gas Carburizing Lines, Other Heat-Treating Equipment

Automotive Components - Crown Wheel & Pinion, Straight Bevel Parts, Steering Components, Clutch Components, Fly Wheel Assembly, etc.

Industry Segments

Industry segment-wise revenue is segregated under the following heads:

- Agricultural Machinery
- Commercial Vehicle
- Construction Equipment
- Others

Agriculture machinery segment remains the major revenue driver for the Company, with tractors being the key end user sector for its products.

Revenue Break-up

	FY 2020	FY 2021
Construction Equipment	15%	12%
Commercial Vehicle	13%	13%
Agricultural Machinery	60%	63%
Others	12%	12%

Gear Business

BGL caters to the demand of automotive gears to several tractor OEMs both from India and abroad. Due to COVID-19, the business has been under pressure because of

falling end user demand caused by slow economic growth, lacklustre festive sales, and export drop during the first quarter. However, from second quarter onwards, the sector witnessed an uptick in the demand during festive period specially in the rural market after the ensuing lockdowns were uplifted and operations were resumed. The vehicle industry is being cautious on FY 2021-22 outlook after the implementation of Bharat Stage-VI (BS-VI) emission standards as the central government has mandated that vehicle makers must manufacture, sell, and register only BS-VI (BS6) vehicles from 1 April 2020. The gear business registered 91.45% in sales across all segments (AE, CE, CV) and customers. The business registered 33% in exports, 66% in domestic sales and 1% in aftermarket sales.

(Source: https://www.business-standard.com/about/what-is-bs-vi-norms#:~:text=Bharat%20stage%20(BS)%20emission%20standards,engine%20equipment%2C%20including%20motor%20vehicles.)

Auto-Components

BGL supplies a diversified range of automotive products catering to a heterogeneous auto market comprising commercial, agricultural, and utility vehicles according to evolving customer demands. The Company is the most trusted brand name among the peers and is also a reputed player in the replacement gear market. Net revenue in the auto components division recorded a de-growth of 8.42% compared with FY 2019-20.

Heat Treatment Furnaces

BGL has over three decades of close connection and technical association with AFC – Holcroft at Michigan in USA for its furnace business. AFC is reputed for its invention, quality, and credibility. The Company continues to build the batch and continuous heat-treating furnace systems which has a huge market because of their operator-friendly design, ease of maintenance and economic benefit under the Indian conditions. Net revenue in the furnace division stood at ₹ 4.55 crores in FY 2020-21 (70)% compared with ₹ 15.17 crores in FY 2019-20.

Manufacturing Capabilities

BGL operates at three manufacturing locations with technologically advanced equipment and facilities at present – two in the state of Maharashtra at Mumbra and Lonand and one in the state of Haryana at Faridabad. All plants of the Company have obtained IATF certification which has helped the Company to ensure product quality, waste reduction and defect prevention.

Plant Operations

BGL manufacturing locations provide conducive work environment and are highly technologically equipped. The Company aims to achieve a high level of employee engagement and continuously strives to attain maximum efficiency and productivity. To attain this, the Company leverages on to practices like Kaizen philosophy ("constant, continuous improvement") and Total Quality Management (TQM) system. The Company has incorporated safety culture, 5S, Kaizen, autonomous maintenance, visual management, and other measures across all the plants. The Lonand Plant is a state-of-the-art Greenfield project designed to manufacture transmission gears. It is designed to be completed in three phases; the first phase was accredited in the year 2014 and the second phase was completed in the year 2019.

Key Focus Areas

- Productivity and efficiency

  To improve productivity and efficiency in the plants, BGL undertakes an array of measures like retrofitting/reconditioning and automation, use of high-speed cutting tools and cycle time enhancement. Besides, the Company invests on upgrading machines with latest technological advanced features to reduce downtime and improve output quality. Machines/processes are maintained with regular check-ups and repair work for better efficiency.

  The Company balances an optimum mix of labour on shop floor to improve efficiency and better material handling during process shift for preventing dents and damages. Further, specific steps are undertaken to enhance productivity and efficiency in the plants. Latest tools and advanced processes have helped in improving cycle times. Modification of HT fixtures, replacement of HSS blades with carbide blades in the new-age machines and use of the advanced coating for tools are a few measures that have significantly improved plants efficiency. The conversion of the conventional machines to the computer numerical control (CNC) has also helped in reducing the setup time, error control and increased productivity. Further, cycle time has been improved by shifting to auto deburring from manual deburring and increasing loading quantity and reducing the line operations.

  In order to cater to high volume orders, the Company is closely working with its vendors on installing key equipment in all the plants as per the production requirement. Implementation of the cluster hobbing, batch marking, multi gauging installation for the final QC and optimization of HT charge are some other ways that have improved throughput while reducing manpower and facilitating safe material handling.

- Technology upgradation and automation

  Technology upgradation becomes an indispensable part of every plant operation to keep up with safety, energy efficiency and optimal efficiency. The Company has been continuously taking up measures to upgrade the plant operations according to the advanced technology and implemented automation and process-optimization initiatives as far as possible. It has introduced low-cost automation for gear hobbing machines and gear shaping machines.

New machines for gear cutting and heat treatment have significantly improved output quality and efficiency. Further, latest software solutions are used in the plants to optimize various parameters of gears.

BGL is expected to achieve improved standardization of its workflows and products as it gradually moves towards higher automation and single piece flow cell customer-wise. It was one of the few auto ancillary manufacturers in India to implement Robotics in press quenching operations.

- Total Quality Management

  Total quality management (TQM) describes a management approach to long-term success through customer satisfaction. In a TQM effort, all members of an organization participate in improving processes, products, services, and the culture. The Company has implemented several measures in the plants for improving product quality and delivery processes. Periodic machine audits are undertaken to assess the need for modification and replacement of old machines and employees are trained regularly for better execution of processes.

  The Company is strengthening the culture of quality circle at the plants to bring significant improvement in product quality and cost rationalization. Multi-gauging check units have been installed in Lonand plant towards this goal. Quality circles with participation of working level executives are operational, which help further strengthening of quality culture. To ramp-up production in fast pace, measures are undertaken to strengthen Tier-two suppliers. The Lonand plant has recorded a culture of “Zero defect” & “Zero customer complaints” for a key customer.

- Energy efficiency

  BGL being a sustainable organization, focuses on conserving energy. The plants undertake periodical audits for better energy performance and energy-efficient operations. It periodically replaces old machines with new energy-efficient ones and adopts automation to improve the plants’ energy efficiency. The Company also replaced the asbestos-roofing shed with MS galvanized sheets, enabling natural light to permeate into the building during the day. Furthermore, turbo ventilators were fitted at the sheds for better ventilation. Besides, to economize power consumption during idle time, BGL modified machine circuits, hydraulic systems and installed auto timers on electrical equipment. Other major initiatives are APFC panels are prepared inhouse which helps in maintain the Unity power factor and HVAC system is installed to increase the fresh air flow in the shop floor. On continuous basis, HPMV Lamps are being replaced with LEDs to achieve energy efficiency. This has improved the Lux levels significantly.

The Company has been continuously taking up measures to upgrade the plant operations according to the advanced technology and implemented automation and process-optimization initiatives as far as possible.

- Safety management

  BGL has focused on safety measures across stages of the plant operations and all of its plants are well equipped with safety parameters in the systems and processes. To maintain safety for the workforce, the use of hazardous material is barred inside all plants premises. To prevent any kind of health hazards, the plants are completely free from kerosene and asbestos. As part of safety rules, all the employees are provided with personal protective gear and uniform. The ‘My Machine’ campaign and the ‘5S Activity’ drives within the plant premises were undertaken to create awareness on safety measures and maintain absolute safety within the plants.

  BGL conducts various safety exercises at periodic intervals as it operates on Kaizen principle. It periodically conducts safety training, mock fire drills, kaizens on safety, monthly safety audits and third-party inspection, etc. The plants foster a safety culture at the shop floor through sustained and improved 5S activities.

  BGL followed strict adherence to COVID-19 standard operating procedures (SOPs)/ Guidelines at all plants. BGL organized antigen test camp for COVID-19 at Faridabad plant. Further, vaccination camps have been organized at all plants and vaccinated almost 70% of the employees through these drives.

Support Systems

BGL’s prime focus is on process efficiency, product quality and customer relations. A comprehensive training structure is laid down for all employees. In addition to the induction training, regular training on job-related modules is also provided to help employees to improve continually in the performance of their duties. Such initiatives help to attract and retain the best talent across the industry. The strength of the group thus lies in working and growing together as a team. The strong Human Resource team within the organization helps in assessing and supporting the manpower engaged in manufacturing processes. A tailor-made Enterprise resource planning (ERP) is put in use for managing the core operations along with the support of a robust IT system. BGL leverages advanced IT tools for easy performance of processes, product improvement, building customer relations and for abiding by compliance and reporting purposes.

BGL temporarily suspended its branch offices amidst spread of COVID-19 pandemic in the interest of health and safety of its employees.

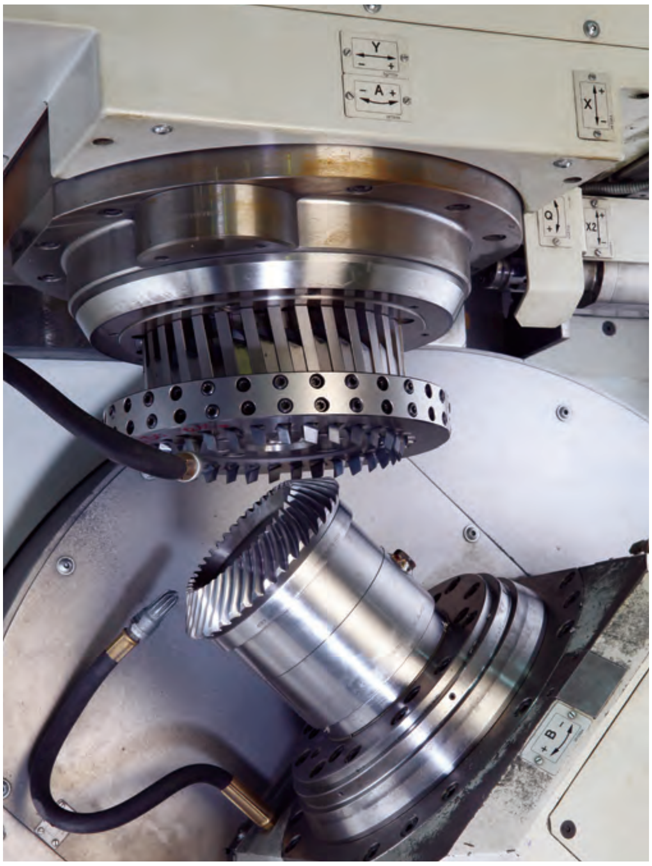
As on 31 March 2021, the Company had 1,332 people as its permanent workforce.

Key Operational Highlights

Several macro-economic factors including the auto and agricultural sector slowdown and the second wave of the spread of COVID-19 posed challenges for BGL for FY 2020-21. The Company's prudent decision of deferring expansion plans and instead focusing on higher utilization of existing capacities yielded encouraging results. Its focus on controlling operating costs has helped in improving the Company's working capital efficiency and achieve superior profitability margins. Despite the industrial headwinds, it is well positioned to capitalize on growth opportunities by building upon the past strategies.

Financial Review

The Company's operations have been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption to the production on account of the shutdown of all its plants and offices due to the nationwide lockdown. BGL clocked revenue of ₹ 504.40 crores as compared to ₹ 468.00 crores in FY 2019-20, registering a growth of 7.77% owing to robust demand from OEMs post easing of lockdown restrictions from Q2 onwards. Net loss for the year stood at ₹ 7.70 crores, decrease of 59% over net loss of ₹ 18.78 crores in FY 2019-20.



Key Financial Ratios

In accordance with the SEBI (Listing and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant changes (changes of 25% or more as compared to immediately preceding financial year) in key sector specific ratios. BGL has identified following ratios as key financial ratios in FY 2020-21:

Category	FY 2019-20	FY 2020-21	Variation (%)
Debtors Turnover Ratio	4.53	4.73	4
Inventory Turnover Ratio	5.93	5.57	-6
Interest Coverage Ratio	-0.15	0.57	480
Current Ratio	1.12	1.09	-3
Debt Equity Ratio	1.86	1.51	-19
Operating Margin Ratio (%)	-0.68%	2.58%	481
Net Profit/Loss Margin (%)	-4.01%	-1.53%	62
Return on Net Worth (%)	-23.60%	-10.43%	56

Explanation for the variation

Operations of the Company were impacted by COVID-19 pandemic in the first quarter of FY21. However, post lockdown, there was significant recovery in the market segments catered to by the Company. Riding on robust customer demand, the Company could post 9% higher volumes vis-à-vis previous year. Further, the Company has undertaken various cost optimization initiatives during the year. This coupled with better absorption of fixed costs due to improved volumes led to significant improvement in ratios related to profitability, interest coverage and return on net worth.

Outlook

BGL business has been affected by a slump in the auto sector, construction as well as the agriculture sectors, with the spread of COVID-19 pandemic and the related nationwide lockdown during the first quarter of the financial year. However, with the gradual relaxations in the lockdowns and resumption of manufacturing activities, the industry has seen a robust demand in the tractors. The strong volumes could be attributed to the factors such as availability of finance, restoration of channel inventory post festive season, high kharif output, higher rabi acreage and government support in agricultural produce procurement. Demand from US & EU based customers is expected to remain promising for the calendar year 2021. Construction Equipment industry has seen a spurt in demand post lockdown in Q1 of FY21 and is expected to remain buoyant for rest of the year.

Leading OEMs is expected to witness better prospects for long-term horizon. With recent momentum of increase in expenditure on infrastructure and logistics, demand for Commercial Vehicles is likely to grow gradually in the prevailing calendar year backed by the push by the government for infrastructure and allied sectors as per provisions of Budget 2021-22 which will have positive impact on long-term demand. The Company has belief in its manufacturing and operational abilities to deliver results and will be ready to benefit from the opportunities when the market rebounds. The Company is committed to provide innovative, high performance and cost-effective solutions and received an encouraging response from the customers. The Company intends to complete its plant upgradation process depending on positive market swing and exploit the opportunities. The outlook for the business is positive as the Company foresee opportunities in electronic vehicles business.

Risk and Concerns

Bharat Gears Limited recognizes that management of risks is an important process. It empowers the Company with necessary tools for identifying potential risks thereby making it easier to mitigate such business risks. This helps the Company achieve its strategic objectives and sustainable development. The Company follows a specific and well-defined risk management process. This system is integrated with its operations for identification, categorization, and prioritization of operational, financial, and strategic business risks.

Some of the possible key risks for the Company are given below with corresponding mitigation measures:

Technology risks: The OEMs being major players rely on quality supplies with superior efficiency and technical knowhow. They are updated with market changes on the technology front and keep updating their products with the changing needs. The Company being the supplier to these OEMs, is exposed to the risk of being technologically obsolete and may lose customers if it fails to upgrade timely with the technology demand.

Mitigation: The Company strives to be updated with the evolving technological developments and invests in R&D for product and process upgradation. However, it keeps a vigilance and does not over leverage any technological development.

Market risks: The Company is a supplier to three end-user industries mainly automobile, farm equipment and construction, which are highly responsive to macro-economic modifications. Any market slowdown/ shutdown may impact its business.

Mitigation: The Company has a wide range of customer base supplying to multiple industries and operating in India as well as overseas. Such diversification protects BGL against a down cycle.

Raw material risks: Input costs for raw materials is a primary cost for BGL. Example of such input being alloy steel. Any supply change and price fluctuation for raw material may have a major impact on the business of the Company.

Mitigation: BGL monitors price fluctuations and follows a vigilant procurement policy to mitigate this risk. It has expertise in stock management and maintains a cordial business relationship with suppliers to ensure adequate supply of raw materials. The pass-through clauses further ensures that the Company is insulated against price fluctuation of raw materials.

Financial risks: The Company faces the risk of volatile forex movement, interest rates, credit availability and liquidity.

Mitigation: BGL follows sufficient hedging mechanisms and carefully tracks macro policy changes to foresee possible interest rate and currency movements.

Regulatory risks: Due to changes in the international and domestic laws, tax regulations, technical standards and trade policies, the Company might face regulatory risk. This risk particularly comprises those related to more stringent vehicle safety and environmental norms.

Mitigation: BGL stringently follows all the due policy and regulatory requirements. The Company constantly monitors the changing regulatory scenario and makes necessary modifications as needed.

Product quality risks: The Company is a leading supplier to OEMs who must abide to strict compliances and norms with quality and technical standards for components used as raw materials. The Company must ascertain high precision and quality in their products to maintain their reputation and profitability.

Mitigation: BGL is focused on investing in upgradation of its manufacturing facilities and in developing employee skills. Quality and productivity improvement remains a concern area for the Company to stay competitive. It takes regular feedback from clients on product quality and undertakes product liability insurance to safeguard its interests.

Natural calamity/pandemic risks: Natural calamity or any other global and country-wide pandemic, like the outbreak of COVID-19 pandemic pose a negative impact on the market which the Company serves to. These risks lead to supply chain disruption, production cuts and shutdown.

Mitigation: BGL makes future strategies to bounce back during unpredictable risks times. The Company takes up measures like deferring capex, liquidity management and cost cutting during such crisis. It is well assisted by competent management to deal such crisis.

Human Resource risks: BGL, being a manufacturing concern deals in precision components and recruiting and retaining skilled manpower is its prime focus. Operations of the Company are affected due to non-availability of human resource or high rates of attrition.

Mitigation: BGL's robust HR policies focuses on internal assessment and training programmes for employees. The Company insures itself against attrition risk by skill development. It strives to provide safe and conducive work environment to its employees.

Internal Control Systems and Their Adequacy

BGL internal control framework centres on strong governance, precise systems and processes, vigilant finance function and independent internal reviews. The Audit Committee approves the audit plans which are independently executed by the internal audit function for critical audit areas. Risk evaluation exercise prioritizes risks facing the business, based on which strategies are formulated. The Audit Committee periodically reviews and takes suitable actions for any deviation, observation or recommendation suggested by the internal auditors. The Audit Committee of the Board oversees the Audit function through regular reviews of audit findings and monitoring corrective actions. The Company follows the best practices in corporate governance. Well documented policies and procedures enable it to strictly adhere to all applicable procedures, laws, rules, and statutes. The Company's robust IT systems safeguard its sensitive data and ease out audit process. Applicable Accounting Standards are strictly followed while recording transactions. A host of strategies are devised in addition to robust MIS systems, for real-time reporting, to control expenses. Any variance from budgetary allocation is promptly reported and corrected to ensure strict compliance.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those downtrends in the automotive industry globally or domestic or both due to significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

Board's Report

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

The Directors are pleased to present the 49th Annual Report and the Audited Financial Statements for the year ended 31 March, 2021.

(₹/Crores)
Financial year ended

Financial Results	31.03.2021	31.03.2020
Revenue from operations and other income (gross)	**504.40**	468.00
Profit before finance costs and depreciation and amortisation expense	**37.17**	23.51
Finance costs	**22.67**	21.65
Depreciation and amortisation expense	**24.15**	26.68
Profit/(Loss) before tax	**(9.65)**	(24.82)
Less: Tax expense/(benefit)	**(1.95)**	(6.04)
Profit/(Loss) after tax	**(7.70)**	(18.78)
Other comprehensive income	**0.95**	(0.72)
Total comprehensive income	**(6.75)**	(19.50)
Statement of other equity		
Opening balance	**70.27**	80.35
Add: Total comprehensive income/(loss) for the year	**(6.75)**	(19.50)
Add: Share premium on right issue of equity shares	**-**	10.54
Add: Equity component of liability	**0.98**	-
Less: Dividend including dividend distribution tax	**-**	(1.12)
Closing balance	**64.50**	70.27

DIVIDEND

In view of losses for the year, the directors of the Company have decided not to recommend any dividend on equity shares of the Company for the year ended 31 March, 2021.

FINANCIAL PERFORMANCE

Operations of the Company were affected in the initial months of the financial year because of the nationwide lockdown implemented by Government of India to curb the spread of COVID-19 Pandemic. Post lockdown, offtake from customers has been robust. As a result, overall sales volume showed an upward trajectory on the back of strong demand from OEMs. Revenue from operations for the year has increased by 9% in comparison to the corresponding year.

Operations for FY21 resulted in EBITDA of ₹ 3717 lakhs vis-à-vis an EBIDTA of ₹ 2352 lakhs for FY20. The improvement is largely on account of increase in contribution due to higher volumes. This was partially set-off by higher incidence of premium freight.

In FY21, the Company has incurred expense of ₹ 195 lakhs on account of Voluntary Retirement Scheme.

During FY21, the Company has obtained an interest free unsecured loan of ₹ 200 lakhs from a Director. The Company has repaid an amount of ₹ 1783 lakhs during FY21 in respect of long term loans.

Loss after tax for the year ended 31 March, 2021 was ₹ 770 lakhs against loss after tax of ₹ 1878 lakhs in previous year.

INDIAN ACCOUNTING STANDARDS ("IND AS")

The financial statements for the year ended 31 March, 2021 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under the provisions of Section 133 of the Companies Act, 2013 read with rules made there under, as amended.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's operations in terms of performance in markets, manufacturing activities, business outlook, risks and concerns forms part of the Management Discussion and Analysis, a separate section of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with 134(5) of the Companies Act, 2013, your Directors confirm that:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2021 and of the Profit and Loss of the Company for the period ended on that date;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY CONTRACTS AND ARRANGEMENTS

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into the contract/arrangement/transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. Thus, there are no transactions which are required to be reported in the prescribed Form AOC-2 of the Companies (Accounts) Rules, 2014.

Further, during the Financial Year 2020-21, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

As all the related party transactions are at arm's length price and in the ordinary course of business, the same are placed before the Audit Committee for its approval. There was no related party transaction which required approval of the Board. During the Financial Year under review, the Audit Committee has approved the related party transactions through the omnibus mode in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in the Notes to the Financial Statements.

The policy on Related Party transactions as approved by the Board in terms of the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/related_party_transaction_policy.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

During the period under review, the Company has not made any loan, guarantee or investment in terms of the provisions of Section 186 of the Companies Act, 2013.

DIRECTORS

During the Financial Year 2020-21, the members of the Company vide their special resolution(s) passed at the Annual General Meeting held on 16 September, 2020 approved the:

- Re-appointment of Mr. Rakesh Chopra as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 53rd Annual General Meeting (AGM) of the Company in the Calendar Year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013;

- Re-appointment of Mr. Virendra Kumar Pargal as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 53rd Annual General

Meeting (AGM) of the Company in the Calendar Year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013;

- Re-appointment of 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;
- Re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company liable to retire by rotation upto the conclusion of the 49th Annual General Meeting (AGM) of the Company in the Calendar year 2021 in terms of the provisions of Section 152 of the Companies Act, 2013.

in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, read with Regulation 17 of the Regulations as amended and the provisions of Section 196(3) of the Companies Act, 2013, the age of Mr. Virendra Kumar Pargal and Mr. Nagar Venkatraman Srinivasan being more than seventy five years at the commencement of their respective tenure and the age of Mr. Surinder Paul Kanwar to be more than seventy years during his tenure.

The tenure of Mr. Sameer Kanwar as Joint Managing Director of the Company has expired on 31 May, 2021. The Board of Directors of the Company in its meeting held on 11 June 2021 has re-appointed Mr. Sameer Kanwar as Joint Managing Director of the Company for a further period of 3 (Three) years w.e.f. 01 June, 2021 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 terms of the provisions of Section 149 of the Companies Act, 2013, Mr. Wolfgang Rudolf Schilha had been appointed as a Non-Executive Independent Director on the Board of the Company at the Annual General Meeting (AGM) of the Company held on 04 August, 2016 for a period of 5 (Five) years upto the conclusion of the 49th AGM of the Company in the Calendar year 2021.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to re-appoint Mr. Wolfgang Rudolf Schilha as a 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 54th AGM of the Company in the Calendar year 2026 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, as the age of Mr. Wolfgang Rudolf Schilha will be more than seventy five years during his proposed tenure.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Wolfgang Rudolf Schilha as candidate for the office of Non-Executive Independent Director of the Company.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to re-appoint Mr. Nagar Venkatraman 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 Calender Year 2022 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. Nagar Venkatraman Srinivasan being more than seventy five years at the commencement of his proposed tenure.

BOARD'S OPINION REGARDING INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED/RE-APPOINTED DURING THE YEAR

The Board is of the opinion that the Independent Directors appointed/re-appointed during the year under review are person(s) of integrity and possess core skills/expertise/ competencies (including the proficiency) as identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for the Company to function effectively.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2020-21, 4 (Four) Board Meetings were held on the following dates:-

- 28 June, 2020;
- 13 August, 2020;
- 09 November, 2020; and
- 11 February, 2021

The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Regulations.

However, the gap between the Board Meeting held on 28 June, 2020 was more than 120 (one hundred and twenty) days from the Board Meeting held on 29 January, 2020 in the Financial Year 2019-20 pursuant to the relaxations provided by the Securities and Exchange Board of India for Board/Audit Committee Meetings held/proposed to be held between the period 01 December, 2019 and 31 July, 2020 vide its circular Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19 March, 2020 and Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26 June, 2020 and the relaxations provided by the Ministry of Corporate Affairs for Board Meetings held/proposed to be held till 30 September, 2020 vide its General Circular No. 11/2020 dated 24 March, 2020 respectively during the outbreak of Covid-19 pandemic in the Country.

INDEPENDENT DIRECTORS

In terms of the provisions of Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the Regulations, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 11 June 2021 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Regulations, and are not being disqualified to act as an Independent Director. Further, they have declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013 read with the Rules made thereunder and the Regulations, and are independent of the management.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities and other relevant details. The details of familiarization programme during the Financial Year 2020-21 are available on the official website of the Company i.e. www.bharatgears.com under the link: https://www.bharatgears.com/documents/details-of-familiarization-programme-for-independent-directors-fy-20-21.pdf

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, Nomination and Remuneration Committee ('NRC') has formulated a policy relating to appointment and determination of the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel which has been adopted by the Board of Directors of the Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to the Executive and Non-Executive Directors of the Company.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees is as per the Nomination and Remuneration Policy of your Company.

The salient features of the Nomination and Remuneration Policy are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Identification of persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the Nomination and Remuneration policy.
- Recommendation to the Board for appointment and removal of Director, KMP and Senior Management Personnel.
- Formulation of the criteria for devising a policy on diversity of Board of Directors.
- Deciding that whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation to the Board, all remuneration, in whatever form, payable to senior management.

The said policy is available on the official website of the Company i.e. www.bharatgears.com under the link: https://www.bharatgears.com/documents/nomination_and_remuneration_policy_BGL.pdf

EVALUATION PROCESS

The Nomination and Remuneration Committee has established a framework for the evaluation process of performance of the Board, its Committees and Individual Directors and the same was adopted by the Board.

During the period under review, the Board of Directors at its meeting held on 11 June 2021 have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on 15 March, 2021 have evaluated the performance of the Chairman and

Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

KEY MANAGERIAL PERSONNEL

The following Directors/Officials of the Company have been designated as Key Managerial Personnel (KMP) of the Company by the Board of Directors in terms of the provisions of Section 203 of the Companies Act, 2013 and the Regulations:

1. Mr. Surinder Paul Kanwar, Chairman and Managing Director
2. Mr. Sameer Kanwar, Joint Managing Director
3. Mr. Milind Pujari, Chief Financial Officer
4. Mr. Prashant Khattry, Head (Legal) and Company Secretary

No Key Managerial Personnel (KMP) of the Company has resigned during the financial year ended 31 March, 2021.

DISCLOSURES UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure -"A"** to this report.

PARTICULARS OF EMPLOYEES

Information regarding employees in accordance with the provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure- "B"** to this Report.

RISK MANAGEMENT

A robust and integrated enterprise risk management framework is in existence under which the common prevailing risks in the Company are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") is in existence to monitor the Corporate Social Responsibility Policy of the Company as approved by the Board and the said policy is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/CSR_Policy_BGL.pdf

The CSR Committee comprises of Mr. Surinder Paul Kanwar, Mr. Sameer Kanwar and Mr. Rakesh Chopra.

The role of the Corporate Social Responsibility Committee includes:

(a) Formulation and recommendation 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) Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

(c) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a) above.

(d) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

Your Company has spent ₹ 24,23,083/- (Rupees Twenty Four Lakhs Twenty Three Thousand Eighty Three Only) in the Financial Year 2020-21 including the balance unspent amount of ₹ 19,51,250/- (Rupees Nineteen Lakhs Fifty One Thousand Two Hundred Fifty Only) upto the Financial Year 2019-20 as per the following details:

AMOUNT SPENT ON CSR ACTIVITIES IN THE FINANCIAL YEAR 2020-21		
S.no.	**Financial Year to which the amount pertains**	**Amount (₹)**
1.	Amount unspent upto Financial Year 2019-20	19,51,250.00
2.	Amount spent for the Financial Year 2020-21	2,75,000.00
3.	Surplus amount spent	1,96,833.00
TOTAL		**24,23,083.00**

The report on CSR activities with other details in terms of the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 for the Financial Year 2020-21 is enclosed as **Annexure-"C"** to this report.

Further, a Certificate issued by Mr. Milind Pujari, Chief Financial Officer of the Company certifying that the funds of CSR have been utilized for the purposes and in the manner as recommended by the CSR Committee and approved by the Board is enclosed as **Annexure-"D"** to this report.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Rakesh Chopra, Mr. Virendra Kumar Pargal and Ms. Hiroo Suresh Advani.

Further, the details on the Audit Committee and its terms of reference etc. have been furnished in the Corporate Governance Report forming part of this Report. During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company unanimously.

INTERNAL COMPLAINTS COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT

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 official 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 year under review, ICC of all units of the Company has not received any complaint pertaining to sexual harassment of women at workplace.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review, no Company has become or ceased to be subsidiary, joint venture or associate of the Company.

DEPOSITS

During the year under review, the Company did not accept any deposits.

Investor Education and Protection Fund (IEPF)

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and further amendments thereto, the Unclaimed Final Dividend pertaining to the Financial Year 2012-13 amount aggregating to ₹ 3,06,778.00 (Rupees Three Lakhs Six Thousand Seven Hundred Seventy Eight Only) and 4166 (Four Thousand One Hundred Sixty Six) Equity Shares had been transferred to the "Investor Education and Protection Fund" established by the Central Government. For detailed information, please refer the Corporate Governance Report forming part of this report.

AUDITORS

The Statutory Auditors, M/s S R B C & CO LLP (SRBC), Chartered Accountants (ICAI Registration No. 324982E/E300003) had been appointed as Statutory Auditors of the Company in the 45th Annual General Meeting (AGM) held on 09 August, 2017 for a period of 5 (Five) years in terms of the provisions of Section 139 of the Companies Act, 2013 to hold office from the 45th AGM to the 50th AGM in the calendar year 2022.

REPORT ON FINANCIAL STATEMENTS

The report of M/s S R B C & CO LLP (SRBC),Chartered Accountants (ICAI Registration No. 324982E/E300003), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2021 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes to the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

SECRETARIAL AUDIT

The Board has appointed M/s TVA & Co. LLP, Practicing Company Secretaries as Secretarial Auditor for the Financial Year 2020-21 in terms of the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the Regulations. The Secretarial Audit Report of the Company for the Financial Year ended 31 March, 2021 in the prescribed form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure -"E"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year, such controls were tested and no material weakness in the design or operations were observed.

COST RECORDS AND AUDIT

During the year under review, the Company had been mandatorily required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records have been made and maintained.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended, M/s M.K. Kulshrestha & Associates, Cost Accountants, Ghaziabad has conducted the audit of the cost records of all the 3 (Three) plants of the Company viz. Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the year ended 31 March, 2020 and submitted their report thereon within the prescribed time limits. Subsequently, M/s M.K. Kulshrestha & Associates, Cost Accountants, Ghaziabad shall conduct the audit of the cost records of all the 3 (Three) plants of the Company viz. Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the year ended 31 March, 2021 and shall submit their report thereon within the prescribed time limits during the Financial Year 2021-22.

Further, on recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on 11 June 2021 has approved the appointment of M/s M.K. Kulshrestha & Associates, Cost Accountants, Ghaziabad as Cost Auditors of the Company to conduct the audit of the cost records of all the 3 (Three) plants of the Company viz. Mumbra (Maharashtra), Lonand (Maharashtra) and Faridabad (Haryana) for the year ending 31 March, 2022.

CORPORATE GOVERNANCE

The Company is committed to maintain the quality standards of Corporate Governance. The Report on Corporate Governance as stipulated under Schedule V(C) of the Regulations forms part of this Report.

The requisite Certificate of Compliance from Statutory Auditors, M/s S R B C & CO LLP (SRBC), confirming compliance with the conditions of Corporate Governance is attached to this Report.

VIGIL MECHANISM/WHISTLE BLOWER MECHANISM

In terms of the provisions of Section 177 of the Companies Act, 2013 and the Regulations, the Company has established an effective mechanism called Vigil Mechanism (Whistle Blower Mechanism). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees or by any other person who avails such mechanism. It protects employees or any other person who avails such mechanism wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

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 compliant has been received and no employee was denied access to the Audit Committee.

The functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company is reviewed by the Audit Committee on Annual basis.

The policy on vigil mechanism is available on the official website of the Company i.e. www.bharatgears.com under the link: http://bharatgears.com/documents/policy_on_vigil_mechanism.pdf

RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

The Reconciliation of Share Capital Audit Report(s) as submitted by the Auditor on quarterly basis were filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre, where the original shares of the Company are listed.

LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company's operations have been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption to the production due to the nationwide lockdown in the initial part of this year. The Company has incurred loss before tax during the current year amounting to ₹ 964.83 lakhs, primarily owing to lower volumes in the initial months of the year due to COVID-19 pandemic, finance costs and depreciation.

The Company has been sanctioned additional facility under 'Emergency Credit Line Guarantee Scheme (ECLGS)' by the lenders and the management has adopted several cost reduction measures to maintain sufficient operational cash flows to ensure uninterrupted fulfillment of its orders from customers.

Based on management's assessment of market conditions supported by revival of demand by the OEMs, steady growth in revenue and in light of the additional facility being sanctioned, the management is confident of recovering the carrying value of its assets as at 31 March, 2021 and meeting its liabilities as they fall due. The carrying value of current and non-current assets are based on the internal and external sources of information indicators of economic forecasts existing as on date.

The estimates used for assessing the carrying value of assets and liabilities at 31 March, 2021 during the COVID-19 pandemic may undergo a change as these are dependent on the continuing impact of the pandemic on the economy and automotive sector and the Company will continue to monitor and address any material changes and its consequent impact on its business, if any.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure-"F"** to this Report.

ANNUAL RETURN

In terms of the provisions of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the official website of the Company www.bharatgears.com under the link: https://www.bharatgears.com/documents/annual-return-for-2020-21.pdf.

COMPLIANCE OF SECRETARIAL STANDARDS

During the period under review, the Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

COURT/TRIBUNAL ORDERS

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DETAILS OF APPLICATION/PROCEEDING UNDER THE INSOLVENCY AND BANCRUPTCY CODE, 2016

Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

INSTANCES OF DIFFERENCE IN VALUATION

There is no such instance where there is difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

ACKNOWLEDGEMENTS

The Board of Directors thank the shareholders for their continued support and they would like to place on record their appreciation for the dedicated services rendered by the Employees at all levels.

The Directors wish to convey their gratitude to the Financial Institutions, Banks, Customers, Suppliers and Collaborators for the assistance and confidence reposed by them in the Company.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 11 June, 2021

Annexure-"A"

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:

S.No.	Name of the Director	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Surinder Paul Kanwar Chairman and Managing Director	40.09
2.	Mr. Sameer Kanwar Joint Managing Director	40.25

Other directors are being paid sitting fees, fees for technical advisory services (wherever applicable) only, details of which are mentioned in the Corporate Governance Report.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.No.	Name of the Director/KMP	% increase in Remuneration in the Financial Year 2020-21
1.	Mr. Surinder Paul Kanwar Chairman and Managing Director	-53%
2.	Mr. Sameer Kanwar Joint Managing Director	-28%
3.	Mr. Milind Pujari Chief Financial Officer	-17%
4.	Mr. Prashant Khattry Head (Legal) and Company Secretary	-20%

3. Percentage increase in the remuneration of the median employee is -0.45% in the Financial Year 2020-21.

4. There were 1332 permanent employees on the rolls of the Company as on 31 March, 2021.

5. The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2020-21 was -1.00% whereas percentage increase in the managerial remuneration was -39.00% for the same financial year.

6. It is affirmed that the remuneration paid is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 11 June, 2021

Annexure-"B"

Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Forming Part of the Board's Report for the year ended 31 March, 2021

S.No.	Name	Age in Years	Qualification	Designation	Date of Commencement of Employment	Years of Exp.	Remuneration (₹ in Lacs)	Particulars of Last Employment	Percentage of Shareholding in the Company
A.	**Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2021.**								
1.	Mr. Sameer Kanwar	43	B.A. (Eco.)	Joint Managing Director	01.02.2002	21	122.63	ZF (AG) Germany	Nil
2.	Mr. Surinder Paul Kanwar	68	B.Com.	Chairman and Managing Director	01.10.1990	46	122.13	BST Mfg. Ltd.	36.19
3.	Mr. Jagdeep Singh	64	B.A.	Business Head - After Market	09.12.1991	44	67.42	Escorts Limited	Nil
4.	Mr. Naresh Verma	61	B.Com,M.Com, PG-PM&IR,DIP-HR	Corporate Head - HR & Operations	04.02.2004	39	50.65	Daikin Shriram Airconditioning India Private Limited	Nil
5.	Mr. Milind Pujari	51	B.Com,FCA	Chief Financial Officer	01.06.1995	27	45.99	Caprihans India Limited	Nil
6.	Mr. Kiran Deshpande	62	LME,BE,DMS	Head - OE Marketing & Business Development	02.08.1982	39	24.75	-	Nil
7.	Mr. Shivaji Patil	60	DME	Head - Operations, Mumbra Plant	03.06.2002	39	24.13	M G Auto Profile Private Limited, Zahirabad	Nil
8.	Mr. Sandeep Gandre	61	DEE,DBM,IMME	Head - Operations, Lonand Plant	10.04.1981	42	23.60	Mukund Iron and Steel Works Limited	Nil
9.	Mr. Prashant Khattry	43	FCS, LL.B,MBA (Finance)	Head - Legal and Company Secretary	07.06.2010	20	19.56	Fortis Healthcare Limited	Nil
10.	Mr. Kamal Kishore Miglani	48	CFA, CTM and PLAM	Senior Process Head - Finance and Accounts	01.04.2011	23	18.57	Raunaq EPC International Limited	Nil
B.	**Employed throughout the year ended 31 March, 2021 & were in receipt of Remuneration aggregating not less than ₹ 1,02,00,000/- per annum.**								
1.	Mr. Surinder Paul Kanwar	68	B.Com.	Chairman and Managing Director	01.10.1990	46	122.13	BST Mfg. Ltd.	36.19
2.	Mr. Sameer Kanwar	43	B.A. (Eco.)	Joint Managing Director	01.02.2002	21	122.63	ZF (AG) Germany	Nil
C.	**Employed for the part of the year ended 31 March, 2021 & were in receipt of Remuneration aggregating not less than ₹ 8,50,000/- per month.**								
	NIL								
D.	if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.								
	NIL								

NOTES :

01. Remuneration includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Fund and Value of other perquisites.

02. Except Mr. Sameer Kanwar, Joint Managing Director, who is a relative of Mr. Surinder Paul Kanwar, Chairman and Managing Director of the Company, none of the employee is related to any of the Director of the Company.

03. All the appointments except that of Mr. Surinder Paul Kanwar & Mr. Sameer Kanwar are Non-Contractual.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 11 June, 2021

Annexure-"C"

Annual Report on CSR activities for the Financial Year 2020-21

1.	Brief outline on CSR policy of the Company	A brief outline of the Company's CSR policy has been provided in the "Towards Betterment of Communities" section under the Annual Report
2	Composition of the CSR Committee:-	

SI.No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year
1.	Mr. Surinder Paul Kanwar	Chairman/Chairman and Managing Director	1
2.	Mr. Sameer Kanwar	Member/Joint Managing Director	1
3.	Mr. Rakesh Chopra	Member/Non-Executive Independent Director	1

3	Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company	https://www.bharatgears.com/documents/CSR_Policy_BGL.pdf
4	Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable	NOT APPLICABLE
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - ₹ Nil	

SI.No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2019-20	NIL	NIL
2.	2018-19	NIL	NIL
3.	2017-18	NIL	NIL
	TOTAL	**NIL**	**NIL**

6. Average net profit of the company as per section 135(5). - ₹ 137.67 lakhs
7. (a) Two percent of average net profit of the company as per section 135(5). - ₹ 2.75 lakhs
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
   (c) Amount required to be set off for the financial year, if any - ₹ Nil
   (d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ 2.75 lakhs
8. (a) CSR amount spent or unspent for the financial year: - ₹ 24.23 lakhs

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
24,23,083.00	Nil	N.A.	-	NIL	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation - through Implementing Agency
				State	District						Name & CSR Registration number
1.	Providing patrolling vehicle(s) to the Local Police	Promoting education, including special education	Yes	Haryana	Faridabad	One Time	8,97,501.00	8,97,501.00	Nil	Yes	N.A.
TOTAL							8,97,501	8,97,501			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1.	2.	3.	4.	5.		6.	7.	8.	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation on Direct (Yes/No)	Mode of Implementation – through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Eradicating hunger, poverty and malnutrition	Distribution of food and food grains	Yes	Haryana	Faridabad	4,60,582.00	No	Robin Hood Army, Faridabad	-
2.	Enhancing vocation skills especially among children	Contribution towards an Art and Craft awareness programme	Yes	Haryana	Faridabad	15,000.00	No	Daksh Foundation	-
3.	Preventive Health Care	Promotion of Education, Health and Rural Development	Yes	Haryana	Faridabad	5,00,000.00	No	Vidya Jagat Cancer Foundation	-
4.	Women Empowerment	Promotion of gender equality, empowering women	No	Haryana	Gurugram	2,50,000.00	No	Sarvam Foundation	-
5.	Promoting Education and Sanitization	Promotion of Education	No	Himachal Pradesh	Sanawar	2,50,000.00	No	Lawrence School Sanawar Society	-
6.	Environmental Sustainability	Environmental Sustainability	Yes	Haryana	Faridabad	50,000.00	No	Save Aravali Trust	-
	TOTAL					15,25,582.00			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 24,23,083

(g) Excess amount for set off, if any

Sl.No.	Particulars	Amount (in ₹)
i.	Two percentage of average net profit of the company as per the section 135(5)	2,75,000.00
ii.	Total amount spent for the Financial Year	4,71,833.00
iii.	Excess amount spent for the Financial Year [ii-i]	1,96,833.00
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set-off in succeeding Financial Years [iii-iv]	1,96,833.00

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	NIL	1,54,250.00	-	Nil	N.A.	Nil
2.	2019-20	NIL	17,97,000.00	-	Nil	N.A.	Nil
	TOTAL		**19,51,000.00**				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1.		Providing patrolling vehicle(s) to the Local Police	2019-20	One Time	897501.00	897501.00	897501.00	Completed
TOTAL					**897501.00**	**897501.00**	**897501.00**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details)

a. Date of creation or acquisition of the capital asset(s). **NOT APPLICABLE**

b. Amount of CSR spent for creation or acquisition of capital asset. **NOT APPLICABLE**

c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NOT APPLICABLE**

d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NOT APPLICABLE**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) **NOT APPLICABLE**

Surinder Paul Kanwar
Chairman of CSR Committee
DIN: 00033524

Sameer Kanwar
Joint Managing Director
DIN: 00033622

Dated: 11 June, 2021

Annexure-"D"

CERTIFICATE AS PER RULE 4 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, AS AMENDED

This is to certify that funds of ₹ 24,23,083/- (Rupees Twenty Four Lakhs Twenty Three Thousand Eighty Three Only) so disbursed for Corporate Social Responsibility (CSR) activity for Financial Year 2020-21 has been utilized for the purpose and in the manner as recommended by the CSR Committee in its meeting held on 15 March, 2021 and approved by the Board vide a resolution passed through circulation on 17 March, 2021 as per Rule 4 of Companies (CSR) Rules, 2014, as amended and Schedule VII of the Companies Act, 2013.

Details of CSR expenditure are as follows:

Particulars	(₹)
Amount Outlay (Budgeted)	22,26,250.00
Amount spent on the projects	24,23,083.00
Amount unspent	0.00
Excess amount spent	1,96,833.00

For Bharat Gears Limited

Milind Pujari
Chief Financial Officer

Dated: 11 June, 2021

Annexure-"E"

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31 MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Bharat Gears Limited
CIN: L29130HR1971PLC034365
20 K.M. Mathura Road
P.O. Amar Nagar
Faridabad - 121003
Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Gears Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31 March, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

(iii) Codes and Policies adopted by the Company.

We report that during the period under review, the following Regulations and Guidelines were not applicable to the Company:

(i) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to the Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(vi) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

We further report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review. However, the re-appointment of Directors made during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence no relevant recordings were made in the minutes book maintained for the purpose.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period there were following events/actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc, having a major bearing on the Company's affairs.

(i) Appointment/Re-appointment of Directors

Mr. Surinder Paul Kanwar had been appointed as Chairman & Managing Director of the Company, not liable to retire by rotation w.e.f. 01 October, 2020 for a period of 5 years. His appointment had been duly approved by the Board of Directors in its meeting held on 28 June, 2020 and also by the shareholders in the Annual General Meeting of the Company held on 16 September, 2020.

Mr. Nagar Venkatraman Srinivasan had been re-appointed as a Non-Executive Director of the Company, liable to retire by rotation, in the Annual General Meeting of the company held on 16 September, 2020, to hold office upto the conclusion of 49th Annual General Meeting of the Company.

Mr. Rakesh Chopra and Mr. Virendra Kumar Pargal, Non-Executive Independent Directors had been re-appointed as Non-Executive Independent Directors of the Company for a second term of 5 (Five) consecutive years to hold office from the conclusion of the 48th Annual General Meeting upto the conclusion of the 53rd Annual General Meeting of the Company.

(ii) Re-appointment of Cost Auditors

The Board had re-appointed M/s M.K. Kulshrestha & Associates, as the Cost Auditors of the Company for the Financial Year 2020-21. The said re-appointment of Cost Auditors was made in the Board Meeting of the Company held on 28 June, 2020. The re-appointment was duly recommended by the Audit Committee at a remuneration of Rs. 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand Only) and the said appointment was also approved by the Shareholders in the Annual General Meeting of the company held on 16 September, 2020.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M.No.: F5621, C.P. No.: 5253
UDIN: F005621C000436997
RP L2015UP000900

Dated: 11 June, 2021
Place: Delhi

Note: This report is to be read with our letter of even date which is annexed as **'Annexure A'** and forms an integral part of our report.

Annexure-A

To,
The Members
Bharat Gears Limited
CIN: L29130HR1971PLC034365
20 K.M. Mathura Road
P.O. Amar Nagar
Faridabad- 121003, Haryana

1. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances but the maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable Laws, Rules and Regulations is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.

3. We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.

4. We have obtained necessary management representation about the compliance of various laws, correctness of information shared and happening of events, wherever required.

5. Compliance with respect to the filings of various Reports, Returns, Forms, Certificates and Documents under the various statutes as mentioned in our report is the responsibility of the management of the Company. Our examination was limited to checking the execution and timeliness of filing and we have not verified the contents of such Reports, Returns, Forms, Certificates etc.

6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M.No.: F5621, C.P. No.: 5253
UDIN: F005621C000436997
RP L2015UP000900

Dated: 11 June, 2021
Place: Delhi

Annexure-"F"

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31 March, 2021

(A) Conservation of energy:

(i) the steps taken or impact on conservation of energy:

- Conversion of conventional lighting to LED lights.
- Auto timers have been installed on electrical equipment to save on energy during non-working hours.
- APFC panels were organized with in-house manufacturing.
- Old conventional machines have been converted into CNC Machines which consumed more power.
- Motor optimization.
- Maintaining unity power factor by installing automatic power factor control.
- Turbo ventilators were fitted at the sheds for better ventilation.
- HVAC system has been installed to increase fresh air flow in the shop floor.

(ii) the steps taken by the company for utilizing alternate sources of energy:

- Installation and ongoing cleaning of transparent sheets on the plant roofing to use natural day light.
- Wind Ventilators are installed.

(iii) the capital investment on energy conservation equipment's:

NIL

Impact of the measures of above for reduction of energy consumption and consequent impact on the cost of production of goods:

- The result of above initiatives is reduction in the energy costs.

(B) Technology Absorption:

1.	The efforts made towards technology absorption	1. Cluster type Hob are successfully introduced on Eifco Hobber. 2. Retrofitting/reconditioning of hobbers/conventional machines to CNC		
2.	The benefits derived like product improvement, cost reduction, product development or import substitution	1. Increase in production, improved quality and machine utilization.		
		2. Reduction in PPM levels and reduction in manufacturing costs and release of capacity for addition of new business. 3. Reduction in Manpower costs.		
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):			
	a) The details of technology imported	**-Klingelnberg C27, C15, C30 & C60 Hypoid Gear Cutting machines -Vertical machining centre MCV 450, MCV 400, PMK MC3/400, -Hobbing LC252 -Hobbing Kashifuji KN150 -Shaper Lorenz 154 -Lapper L50 from Klingelnberg**	**Robotic Automation in press quenching operations on CGCF4 is completed and implemented for various crown wheels**	-
	b) the year of import	**2018-19**	**2019-20**	**2020-21**
	c) whether the technology been fully absorbed	YES	YES	NO
	d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.	N.A.	N.A.
4.	The expenditure incurred on Research and Development	The Company is in the business of manufacturing and supplying automotive gears to OEMs and for aftermarket sales both for domestic and overseas markets. The nature of business activity carried on by the Company at present does not entail any Research and Development as such.		

(C) Foreign Exchange Earnings and Outgo:

(₹ In lakhs)

	2020-2021	2019-2020
Foreign Exchange earned	15511.43	15781.41
Foreign Exchange used	195.48	387.37
Net Foreign Exchange earnings	15315.95	15394.04

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 11 June, 2021

Corporate Governance Report

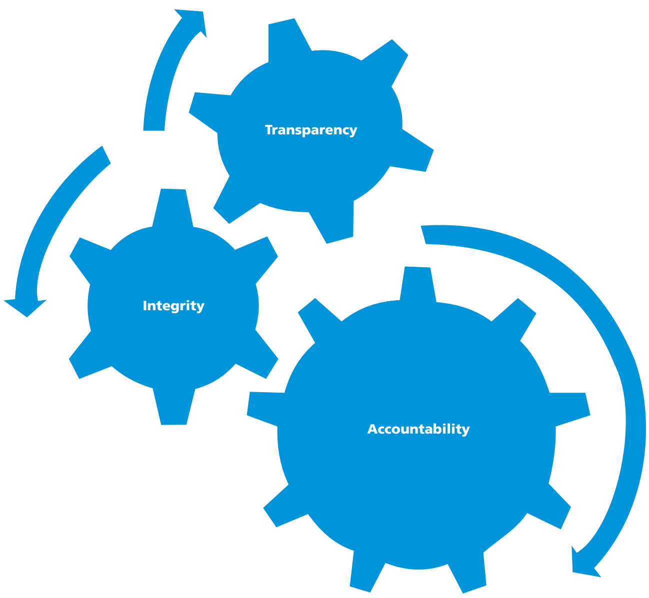
For the Year ended 31 March, 2021

[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 following three pillars of Corporate Governance are followed by the Company, that are critical in successfully running of a Company and forming solid professional relationships among its stakeholders' viz. the Board of Directors, employees, suppliers, creditors, and most importantly, shareholders:



The Company is committed to pursue growth by adhering to the highest national standards of Corporate Governance. 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 endeavor 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, 2021, 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 or corpus 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, 2021, 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 the Composition of the Board, the Attendance record of the Directors at the Board Meetings and 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	4/4	Present	2	2	-
2.	[C]Mr. Sameer Kanwar	Joint Managing Director - Promoter	4/4	Present	1	1	-
3.	Mr. W.R. Schilha	Non-Executive Independent Director	4/4	Present	-	-	-
4.	[D]Mr. V.K. Pargal	Non-Executive Independent Director	4/4	Present	-	1	-
5.	[E]Mr. N.V. Srinivasan	Non-Executive Non-Independent Director	4/4	Present	-	1	-
6.	Mr. Rakesh Chopra	Non-Executive Independent Director	4/4	Present	1	-	3
7.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	4/4	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 Non-Independent 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.

[A]excluding directorship in Private Limited Companies, alternate directorship, Companies registered under Section 8 of the Companies Act, 2013 and Foreign Companies.

[B]For 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.

[C]Mr. Surinder Paul Kanwar is the father of Mr. Sameer Kanwar.

[D]Mr. V.K. Pargal holds 100 Equity Shares of the Company. No other non-executive independent director holds any shares and convertible instruments.

[E]Mr. N.V. Srinivasan is also providing technical advisory services to the Company in his individual capacity. Professional fees paid to him for the Financial Year 2020-21 is ₹ 16,84,000/- (Rupees Sixteen Lakhs Eighty 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).

As on 31 March, 2021, None of the Directors of the Company is a Director in more than 7 (seven) listed Companies. Further, None of the Whole time Director(s) of the Company is serving as an Independent Director in more than 3 (three) listed Companies.

The terms of appointment of the Directors appointed at the Annual General Meeting of the Company held on 16 September, 2020 are available on the official 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 2020-21 are available on the official website of the Company i.e. www.bharatgears.com under the link i.e. https://www.bharatgears.com/documents/details-of-familiarization-programme-for-independent-directors-fy-20-21.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 2020-21, 4(Four) 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:-

- 28 June, 2020;
- 13 August, 2020;
- 09 November, 2020; and
- 11 February, 2021

However, the gap between the Board Meeting held on 28 June, 2020 was more than 120 (one hundred and twenty) days from the Board Meeting held on 29 January, 2020 in the Financial Year 2019-20 pursuant to the relaxations provided by the Securities and Exchange Board of India for Board/Audit Committee Meetings held/proposed to be held between the period 01 December, 2019 and 31 July, 2020 vide its circular Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19 March, 2020 and Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26 June, 2020 and the relaxations provided by the Ministry of Corporate Affairs for Board Meetings held/proposed to be held till 30 September, 2020 vide its General Circular No. 11/2020 dated 24 March, 2020 respectively during the outbreak of Covid-19 pandemic in the Country.

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.

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. <u>Constitution and Composition</u>

In terms of the provisions 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	4/4
2.	Mr. V.K. Pargal	Member	4/4
3.	Ms. Hiroo Suresh Advani	Member	4/4

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, internal audit reports, internal controls for prevention of insider trading and functioning of whistle blower mechanism.

Mr. Prashant Khattry, 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 Financial Year 2020-21, 4 (Four) meetings of the Audit Committee 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 18(2) of the Regulations:-

- 27 June, 2020;
- 13 August, 2020;
- 09 November, 2020; and
- 11 February, 2021

However, the gap between the Audit Committee Meeting held on 27 June, 2020 was more than 120 (one hundred and twenty) days from the Audit Committee Meeting held on 29 January, 2020 in the Financial Year 2019-20 pursuant to the relaxations provided by the Securities and Exchange Board of India for Board/Audit Committee Meetings held/proposed to be held between the period 01 December, 2019 and 31 July, 2020 vide its circular Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19 March, 2020 and Ref No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated 26 June, 2020 respectively during the outbreak of Covid-19 pandemic in the Country.

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.
    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.
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;

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 Regulations, Companies Act, 2013 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 the provisions 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	1/1
2.	Mr. Rakesh Chopra	Member	1/1
3.	Mr. N.V. Srinivasan	Member	1/1
4.	Mr. Surinder Paul Kanwar	Member	1/1

Mr. V.K. Pargal and Mr. Rakesh Chopra are Non-Executive Independent Directors, Mr. N.V. Srinivasan is a Non-Executive Director and Mr. Surinder Paul Kanwar is 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 2020-21, 1(One) meeting of the Nomination and Remuneration Committee was held. Table-6 gives the details of the date and purpose of the meeting of Nomination and Remuneration Committee:-

Table-6

S.No.	Date of Meeting	Purpose
1.	28 June, 2020	Noting of the reduction in remuneration of Mr. Surinder Paul Kanwar, Chairman and Managing Director and Mr. Sameer Kanwar, Joint Managing Director of the Company w.e.f. 01 April, 2020 upto their respective present tenure.
		Consideration and recommendation of the re-appointment of Mr. Rakesh Chopra 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 re-appointment of Mr. Virendra Kumar Pargal 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 re-appointment of 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 along with the proposed remuneration.
	Consideration and recommendation of the re-appointment of Mr. Nagar Venkataraman 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 remuneration of Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

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

The 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 of 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 official 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 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, the 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 11 June, 2021 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:

(a) Performance of the Directors; and

(b) 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 2020-21, a separate meeting of the Independent Directors of the Company was held on 15 March, 2021 in terms of Regulation 25 of the Regulations.

The Independent Directors in their separate meeting:

i. reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. 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.

VIII. Remuneration of Directors for 2020-21

Table-7

(₹ In lakhs)

NON-EXECUTIVE DIRECTORS					
Name of Director	**Sitting Fees#**		**Salaries and Perquisites**		**Total**
	Board Meetings	**Committee Meetings**			
Mr. V.K. Pargal	1.00	1.20	Nil		2.20
Mr. W.R. Schilha	1.00	-	Nil		1.00
Mr. Rakesh Chopra	1.00	1.50	Nil		2.50
Mr. N.V. Srinivasan	1.00	0.20	Nil		1.20
Ms. Hiroo Suresh Advani	1.00	1.00	Nil		2.00
				Sub-Total (A)	**8.90**
EXECUTIVE DIRECTORS					
Mr. Surinder Paul Kanwar ($)			• Salary	95.84	
			• Contribution to provident and other funds (*)	11.53	
			• Monetary value of perquisites (**)	16.51	123.88
Mr. Sameer Kanwar ($)			• Salary	93.94	
			• Contribution to provident and other funds (*)	11.31	
			• Monetary value of perquisites (**)	19.13	124.38
				Sub-Total (B)	**248.26**
				Grand Total	**257.16**

#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 Section 178 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.

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 2020-2021, 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.	27 June, 2020	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 2019-20.
		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 the Financial Year 2020-21	1 Request wrongly filed as Complaint: 1
No. of Complaints resolved to the satisfaction of stakeholders during the Financial Year 2020-21	1

No. of pending requests for share transfers, transmissions (under permissible mode(s)), dematerialisations and rematerialisations as on 31 March, 2021.

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 the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the 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 the 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 the official 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 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 2020-21, 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.	15 March, 2021	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	2/2
2.	Mr. Surinder Paul Kanwar	Member	2/2
3.	Mr. Sameer Kanwar	Member	2/1
4.	Mr. V.K. Pargal	Member	2/1

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 2020-21, 2 (Two) meetings of Finance Committee were held on 29 January, 2021 and 24 March, 2021 respectively 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 Khattry, 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 2020-21, the members of the Company vide their special resolution(s) passed at the Annual General Meeting held on 16 September, 2020 approved the:

- Re-appointment of Mr. Rakesh Chopra as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 53rd Annual General Meeting (AGM) of the Company in the Calendar Year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013;

- Re-appointment of Mr. Virendra Kumar Pargal as a Non-Executive Independent Director on the Board of the Company for a further period of 5 (Five) years upto the conclusion of the 53rd Annual General Meeting (AGM) of the Company in the Calendar Year 2025 in terms of the provisions of Section 149 of the Companies Act, 2013;

- Re-appointment of 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;

- Re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company liable to retire by rotation upto the conclusion of the 49th AGM of the Company in the Calendar year 2021 in terms of the provisions of Section 152 of the Companies Act, 2013.

in terms of the applicable provisions of the Companies Act, 2013 and the Regulations, in read with Regulation 17 of the Regulations as amended and the provisions of Section 196(3) of the Companies Act, 2013, the age of Mr. Virendra Kumar Pargal and Mr. N.V. Srinivasan being more than seventy five years at the commencement of their respective tenure and the age of Mr. Surinder Paul Kanwar to be more than seventy years during his tenure.

The tenure of Mr. Sameer Kanwar as Joint Managing Director of the Company has expired on 31 May, 2021. The Board of Directors of the Company in its meeting held on 11 June, 2021 has re-appointed Mr. Sameer Kanwar as Joint Managing Director of the Company for a further period of 3 (Three) years w.e.f. 01 June, 2021 subject to the approval of shareholders at the ensuing Annual Meeting of the Company by way of special resolution in terms of the applicable provisions of the Companies Act, 2013 and the Regulations.

In terms of the provisions of Section 149 of the Companies Act, 2013, Mr. W.R. Schilha had been appointed as a Non-Executive Independent Director at the Annual General Meeting (AGM) of the Company held on 04 August, 2016 for a period of 5 (Five) years upto the conclusion of the 49th AGM of the Company in the Calendar year 2021.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, it has been proposed to re-appoint Mr. W.R. Schilha as a 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 54th AGM of the Company in the Calendar year 2026 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, as the age of Mr. W.R. Schilha will be more than seventy five years during his proposed tenure.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to re-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 Calender 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 has 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
2019-20	Video Conference (VC)/ Other Audio Visual Means (OAVM) ("Instameet" platform of Link Intime India Private Limited)	16 September, 2020 11:30 A.M.	Yes 1. Consideration and approval of the re-appointment of Mr. Rakesh Chopra as a Non-Executive Independent Director on the Board of the Company. 2. Consideration and approval of the re-appointment of Mr. Virendra Kumar Pargal as a Non-Executive Independent Director on the Board of the Company. 3. Consideration and approval of the re-appointment of Mr. Surinder Paul Kanwar as Chairman and Managing Director of the Company. 4. Consideration and approval of the re-appointment of Mr. Nagar Venkatraman Srinivasan as a Non-Executive Director on the Board of the Company.
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.

Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2021.

Postal Ballot

There are no special resolutions passed during 2020-21 through postal ballot and 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. the National Stock Exchange of India Limited (NSE) and the BSE Limited (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, 2020	Financial Express# Jansatta(Hindi)##	29 June, 2020
Quarter ended 30 June, 2020	Financial Express# Jansatta(Hindi)##	14 August, 2020
Quarter/Half Year ended 30 September, 2020	Financial Express# Jansatta(Hindi)##	10 November, 2020
Quarter/Nine Months ended 31 December, 2020	Financial Express# Jansatta(Hindi)##	12 February, 2021

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

Jansatta (Hindi)-Delhi Edition.

COMPANY'S WEBSITE

Pursuant to Regulation 46 of the Regulations, the Company's official 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 official 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 the official 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 the Annual Report for the Financial Year 2019-20 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agent (RTA). Further, physical copies were not sent to any shareholder in view of the relaxations provided by the Securities and Exchange Board of India (SEBI) due to the outbreak of Covid-19 pandemic in the Country.

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 22 September, 2021 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 2021-22 has been paid in advance to the aforesaid Stock Exchanges.

E. Market Price Data:

High and Low prices during each month of Financial Year 2020-21 on National Stock Exchange of India Limited and BSE Limited are as under:

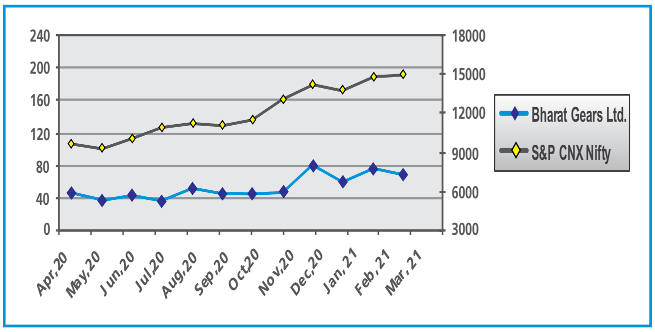
The Closing Price represents the price on the last trading day of each month of Financial Year 2020-21

Table-15

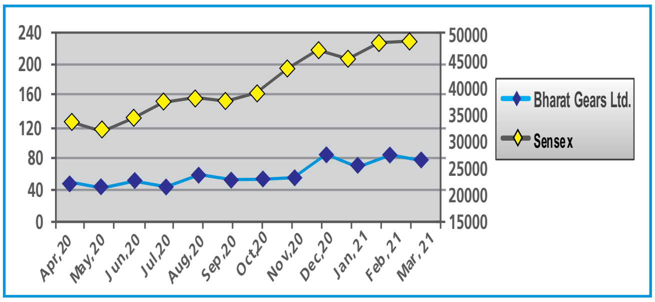
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April	43.30	47.45	26.00	25.30	43.30	41.00
May	38.40	41.00	35.25	34.30	38.20	38.35
June	48.80	48.70	37.60	38.00	44.45	44.65
July	46.00	45.95	38.25	38.25	39.50	39.10
August	66.00	68.70	38.20	38.70	53.75	53.70
September	56.80	57.00	42.00	42.55	48.05	48.50
October	53.90	54.30	44.50	45.00	49.20	49.15
November	56.70	55.95	48.05	45.25	51.90	52.15
December	97.65	95.55	51.10	51.75	79.20	79.95
January	81.95	81.45	65.10	63.80	64.25	66.50
February	87.55	87.85	62.00	63.20	78.35	78.55
March	92.00	91.70	71.70	70.00	73.15	73.50

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 - 110 058
Tel Nos.: 011-41410592-94
Fax No.: 011-41410591
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 the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the BSE Limited (BSE) through BSE Listing Centre duly signed by Mr. Prashant Khattry, 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 and 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.

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.

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 the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the BSE Limited (BSE) through BSE Listing Centre accordingly.

H. Shareholding pattern of the Company as per category of shareholders as on 31 March, 2021:

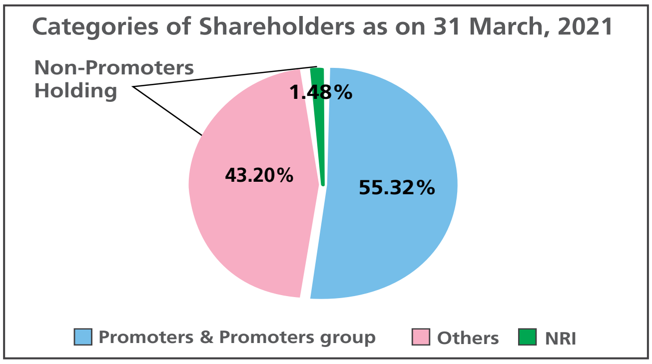


Table-16

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)	1418	0.02
c. Foreign Institutional Investor	0	0.00
4. Others		
a. Private Corporate Bodies	148374	1.59
b. Indian Public	3751546	40.31
c. Non Resident Indians/Overseas	137373	1.48
d. NBFCs registered with RBI	0	0.00
e. Any Other		
(Investor Education and Protection Fund)	102622	1.10
(Clearing Members)	14877	0.16
Total	**9306095**	**100.00**

I. Distribution of Shareholding as on 31 March, 2021:

Table-17

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 500	14533	1226522	13.18
501 to 1000	662	508879	5.47
1001 to 2000	339	494515	5.31
2001 to 3000	98	245582	2.64
3001 to 4000	42	148842	1.60
4001 to 5000	21	98148	1.05
5001 to 10000	62	431759	4.64
10001 and above	42	6151848	66.11
Total	15799	9306095	100.00

J. Share Dematerialisation System:

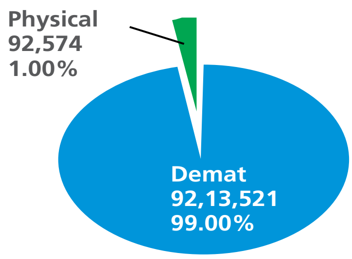
The requests for dematerialisation of shares are processed by the Registrar and Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialisation of shares 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 the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS), with the BSE Limited (BSE) through BSE Listing Centre and the Depositories concerned duly signed by the authorized representative of the 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.

Shares held in Demat/Physical Form as on 31 March, 2021



As on 31 March, 2021, a total of 92,13,521 equity shares of the Company of ₹ 10/- each, which form 99.00% 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	%
7636953	82.06	1576568	16.94	92574	1.00

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 the 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 Financial Year 2012-13 to the IEPF on 29 August, 2020 i.e. upon completion of seven years from transfer of dividend into unclaimed dividend account, 4,166 (Four Thousand One Hundred Sixty Six) Equity Shares relating to such dividend on which the dividend has not been claimed for the consecutive seven years since 2012-13 have been transferred into demat account of IEPF Authority.

During the Financial Year 2020-21, 2 (Two) request(s) covering 400 (Four 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. The said claims are pending for approval by the IEPF Authority.

As on 31 March, 2021, 1,02,622 (One Lakh Two Thousand Six Hundred Twenty Two) Equity Shares of the Company in aggregate are held in demat account of IEPF Authority.

Further, upon transfer of the unclaimed dividend for the Financial Year 2013-14 to the Investor Education and Protection Fund (IEPF) on 30 August, 2021 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 2013-14 (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 2021-22 and further, the necessary information in this regard is available on the official 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:

a. 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.

b. 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.

c. Take a print out of the duly filled Form IEPF-5 and the acknowledgement challan issued after uploading the form.

d. 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 may be. 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 official 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 Lakhs)
2020-21	**NIL**	**NIL**
2019-20	NIL	NIL
2018-19	10	93.06
2017-18	NIL	NIL
2016-17	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, District 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 – 110 058, Tel Nos.: 011 - 41410592-94, 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, 2021 and changes thereof during the Financial Year 2020-21 are as per following details:

Table-20

Instrument Description	Rating Agency(ies)	Rating Assigned as on 31 March, 2020	Rating Assigned as on 31 March, 2021	Changes in Rating during the Financial Year 2020-21	
Banking Facilities- Long-Term	CRISIL	BB+/Stable	BB+/Stable	01 October, 2020	BB- (Downgraded from 'BB+/ Stable'; Placed on 'Rating Watch with Negative Implications')
				24 February, 2021	BB+/Stable (Upgraded from 'BB-'; Removed from 'Rating Watch with Negative Implications')
Banking Facilities- Short-Term	CRISIL	A4+	A4+	01 October, 2020	A4+ (Placed on 'Rating Watch with Negative Implications')
				24 February, 2021	A4+ (Removed from 'Rating Watch with Negative Implications'; Rating Reaffirmed)

10. OTHER DISCLOSURES

A. Related Party Transactions:

During the year 2020-21, there were no material individual transactions with related parties, which are not in the 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 official 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 the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with the 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 in line 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 2020-21.

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 official 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 11 February, 2021 reviewed the functioning of the Whistle Blower Mechanism/Vigil Mechanism existing in the Company and found the same satisfactory.

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 official 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 official 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, 2021 was placed before the Board of Directors of the Company in its meeting held on 11 June, 2021.

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 the 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 on the official website of the Company 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–compliances. The pieces of the price sensitive information are disseminated to the Stock Exchanges timely, adequately and promptly on a 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 on the official website of the Company i.e. www.bharatgears.com.

Further, in terms of the 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 11 February, 2021 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 official 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 2020-21, 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, 2021:

Table-21

No. of Complaints filed during Financial Year 2020-21	NIL
No. of Complaints disposed of during Financial Year 2020-21	NOT APPLICABLE
No. of Complaints pending as on 31 March, 2021	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 firm/network entity of which the statutory auditors are a part for the Financial Year 2020-21 are as follows:

Table-22

(₹ lakhs)

Particulars	For the year ended 31 March, 2021
Fees for audit and related services paid to S R B C & CO LLP	34.55
Other fees paid to the network firm of which the statutory auditor is a part	-
Total	**34.55**

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:

Table-23

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

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 Bharat Gears Limited 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 official 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 official 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 official Website under thelink http://bharatgears.com/documents/form_updation_shareholders_information.pdf.

The duly filled form for Updation of information may be sent to the Company at its Registered Office.

For and on behalf of the Board of Directors

Surinder Paul Kanwar
Chairman and Managing Director
DIN: 00033524

Dated: 11 June, 2021

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 2020-21 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 2020-21;
3) Significant changes in accounting policies during the year 2020-21 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

Dated: 11 June, 2021

Milind Pujari
Chief Financial Officer

Surinder Paul Kanwar
Chairman and Managing Director

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 2020-21, 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

Dated: 11 June, 2021

Prashant Khattry
Head (Legal) and Company Secretary

Surinder Paul Kanwar
Chairman and Managing Director

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 31st March, 2021 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: F009050C000124484

Place: Faridabad
Dated: 19 April, 2021

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per the 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

1. The Corporate Governance Report prepared by Bharat Gears Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) 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, 2021 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

2. 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.
3. 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

4. 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.
5. 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 ICAI.

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, 2021 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 from 01 April, 2020 to 31 March, 2021:
      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM);
      (d) Nomination and Remuneration Committee;
      (e) Stakeholders Relationship Committee;
      (f) Corporate Social Responsibility Committee;
      (g) Independent Directors and
      (h) Finance Committee
   v. Obtained necessary declarations from the 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 meetings where in such related party transactions have been pre-approved prior 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, 2021, 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 Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 21219350AAAAAT9378

Place: Mumbai
Dated: 11 June, 2021

Independent Auditor's Report

To the Members of Bharat Gears Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Bharat Gears Limited ("the Company"), which comprise the Balance sheet as at 31 March, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31 March, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
A. Assessment of recoverability of deferred tax asset (as described in note 2.17 and 32C to the Ind AS financial statements)	
As at 31 March, 2021, the Company has recognized deferred tax asset (net) of Rs.1013.50 lakhs, on unabsorbed depreciation and other deductible temporary differences. The deferred tax asset is recognized to the extent it is reasonably certain that sufficient taxable profits will be available in the future against which unabsorbed depreciation and other deductible temporary differences can be utilized. This involves significant management judgment and estimation given that recognition is based on assumptions such as likely timing and level of future taxable profits based on management projections which are further affected by expected future market and economic conditions. Accordingly, the same has been considered as a key audit matter.	Our audit procedures, amongst others, included the following: - We obtained management's assessment of recognition of deferred tax asset and the assumptions made in determining the likelihood of recoverability of deferred tax asset through generation of sufficient future taxable profits; - We verified the computation of the amounts recognized as deferred tax asset; - We verified management's assumptions used in determining the cashflow forecasts and the timing of the realisability of deferred tax asset based on Company's tax position and forecast of taxable profits. - We assessed the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended 31 March, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;

   (g) In our opinion, the managerial remuneration for the year ended 31 March, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31.1(i) to the Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 21219350AAAAAU3513

Place: Mumbai
Date: 11 June, 2021

Annexure 1 referred to in paragraph 1 to Report on Other Legal and Regulatory Requirements of our report of even date

Re: Bharat Gears Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans taken by the Company are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable property of land that has been taken on lease and building constructed thereon, the lease agreement is in the name of the Company, where the Company is the lessee in the agreement. However, in case of freehold land at one of the locations, as disclosed in Note 5(A) to the Ind AS financial statements, the Company observed that the area and name mentioned in the records of the Government does not match with the Indenture of Conveyance, for which the Company has initiated necessary action for correction.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of certain products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, and cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and service tax and cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and based on explanations provided to us, the Company has not defaulted in repayment of dues to a financial institution or banks. The Company has not taken any loan or borrowing from the government or by way of debentures.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 21219350AAAAAU3513

Place: Mumbai
Date: 11 June, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Bharat Gears Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Bharat Gears Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Aruna Kumaraswamy
Partner
Membership Number: 219350
UDIN: 21219350AAAAAU3513

Place: Mumbai
Date: 11 June, 2021

Balance Sheet

as at 31 March, 2021

₹ lakhs

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	5(A)	12632.05	14450.42
(b) Capital work-in-progress		132.28	217.22
(c) Intangible assets	5(B)	106.64	127.27
(d) Right-of-use assets	5(C)	619.54	376.14
(e) Financial assets			
(i) Loans	6(A)	191.37	164.26
(ii) Others	7(A)	215.16	207.03
(f) Deferred tax assets (net)		1013.50	850.81
(g) Other non-current assets	8	358.30	360.70
Total non-current assets		**15268.84**	**16753.85**
2. Current assets			
(a) Inventories	9	9038.74	7814.76
(b) Financial assets			
(i) Trade receivables	10	10627.43	10219.27
(ii) Cash and cash equivalents	11(A)	9.82	69.20
(iii) Bank balances other than (ii) above	11(B)	557.46	651.11
(iv) Loans	6(B)	56.00	61.12
(v) Others	7(B)	544.46	273.92
(c) Current tax assets (net)	12	91.90	55.47
(d) Other current assets	13	2156.24	1503.03
Total current assets		**23082.05**	**20647.88**
Non-current asset held for sale	14	**12.30**	**12.30**
		23094.35	**20660.18**
Total assets		**38363.19**	**37414.03**
B. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	15(A)	930.61	930.61
(b) Other equity	15(B)	6450.67	7026.80
Total equity		**7381.28**	**7957.41**
LIABILITIES			
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	6662.39	8230.59
(ii) Other financial liabilities	17(A)	303.61	129.77
(iii) Lease liabilities	18(A)	501.03	255.20
(b) Provisions	19(A)	435.63	461.32
(c) Other non-current liabilities	20	1958.97	1930.04
Total non-current liabilities		**9861.63**	**11006.92**
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	2237.14	4224.38
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	22	496.85	280.57
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	22	15154.18	10625.89
(iii) Other financial liabilities	17(B)	2417.97	2597.99
(iv) Lease liabilities	18(B)	173.10	139.49
(b) Provisions	19(B)	98.70	114.26
(c) Current tax liabilities (net)	19(C)	41.39	40.15
(d) Other current liabilities	23	500.95	426.97
Total current liabilities		**21120.28**	**18449.70**
Total equity and liabilities		**38363.19**	**37414.03**

See accompanying notes to the Financial Statements

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 11 June, 2021

Statement of Profit and Loss

for the year ended 31 March, 2021

₹ lakhs

	Particulars	Notes	For the year ended 31 March, 2021	For the year ended 31 March, 2020
1.	Revenue from operations	24	50302.79	46311.98
2.	Other income	25	136.81	487.58
3.	**Total income (1+2)**		**50439.60**	**46799.56**
4.	**Expenses**			
	(a) Cost of materials and components consumed	26(A)	25598.69	22244.83
	(b) Changes in inventories of finished goods and work-in-progress	26(B)	(702.89)	1596.53
	(c) Employee benefits expense	27	8247.45	8980.36
	(d) Finance costs	28	2266.58	2164.82
	(e) Depreciation and amortisation expense	29	2414.70	2668.73
	(f) Other expenses	30	13579.90	11626.54
	Total expenses		**51404.43**	**49281.81**
5.	**Profit/(Loss) before tax (3-4)**		(964.83)	(2482.25)
6.	**Tax expense/(credit) (net)**			
	(a) Current tax		-	-
	(b) Deferred tax (credit)/charge	32(C)	(226.70)	(554.61)
	(c) (Excess)/Short provision for tax relating to prior years	32(C)	31.93	(49.86)
7.	**Profit/(Loss) for the year (5-6)**		**(770.06)**	**(1877.78)**
8.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gain/(loss) on defined benefits obligations		127.34	(63.53)
	- Income tax effect	32(C)	(32.08)	(8.88)
	Other comprehensive income/(loss) for the year (net of tax)		95.26	(72.41)
9.	**Total comprehensive income/(loss) for the year (7+8)**		**(674.80)**	**(1950.19)**
10.	**Earnings per share (Face value of ₹ 10/- each):**			
	Basic and Diluted - in ₹	36	**(8.27)**	**(20.38)**

See accompanying notes to the Financial Statements

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

For and on behalf of the Board of Directors of Bharat Gears Limited

per Aruna Kumaraswamy
Partner
Membership No: 219350

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 11 June, 2021

Statement of Changes in Equity

for the year ended 31 March, 2021

(A) Equity share capital

Particulars	₹ lakhs
Balance as at 01 April, 2019	814.28
Change in equity during the year: Rights issue of equity shares (Refer Footnote (iii) of Note 15(A))	116.33
Balance as at 31 March, 2020	930.61
Balance as at 31 March, 2021	**930.61**

(B) Other equity

₹ lakhs

Particulars	Reserve and Surplus					Other comprehensive income	Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Equity component of liability	Remeasurements of the defined benefit obligations	
Balance as at 01 April, 2019	588.50	1393.90	1756.45	4456.82	-	(160.48)	8035.19
Loss for the year	-	-	-	(1877.78)	-	-	(1877.78)
Other comprehensive loss (net of tax)	-	-	-	-	-	(72.41)	(72.41)
Change in equity during the year: Rights issue of equity shares (net of share issue expenses of ₹ 51.13 lakhs) (Refer Footnote (iii) of Note 15(A))	-	1053.98	-	-	-	-	1053.98
Dividend paid (₹ 1 per share) (Refer Footnote (iii) of Note 15(B))	-	-	-	(93.06)	-	-	(93.06)
Dividend distribution tax (Refer Footnote (iii) of Note 15(B))	-	-	-	(19.12)	-	-	(19.12)
Balance as at 31 March, 2020	**588.50**	**2447.88**	**1756.45**	**2466.86**	**-**	**(232.89)**	**7026.80**
Loss for the year	-	-	-	(770.06)	-	-	(770.06)
Other comprehensive income (net of tax)	-	-	-	-	-	95.26	95.26
Addition in Equity component of liability	-	-	-	-	98.67	-	98.67
Balance as at 31 March, 2021	**588.50**	**2447.88**	**1756.45**	**1696.80**	**98.67**	**(137.63)**	**6450.67**

See accompanying notes to the Financial Statements

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

For and on behalf of the Board of Directors of Bharat Gears Limited

per Aruna Kumaraswamy
Partner
Membership No: 219350

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 11 June, 2021

Statement of Cash Flows

for the year ended 31 March, 2021

₹ lakhs

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A.	**Cash flows from operating activities:**		
	Net profit/(loss) before tax	(964.83)	(2482.24)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	2414.70	2668.73
	Loss on disposal of property, plant and equipment (net)	(14.64)	0.51
	Finance costs	2048.21	1967.32
	Interest income	(52.30)	(74.97)
	Rent expenses	6.45	6.49
	Employee benefits expense	7.02	7.08
	Liabilities/provisions no longer required written back	(19.25)	(35.92)
	Allowance for doubtful debts	11.37	-
	Bad debts written off	3.36	-
	Other amounts written off	49.11	58.48
	Unrealised exchange gain (net)	(44.98)	(189.73)
	Operating profit before working capital changes	**3444.22**	**1925.75**
	Changes in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(1273.09)	1534.04
	Trade receivables	(365.71)	1591.17
	Financial assets - loans	(39.60)	(13.40)
	Financial assets - others	(278.41)	396.14
	Other Assets	(658.69)	1044.50
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	4751.62	(722.22)
	Other financial liabilities	168.69	184.30
	Other current and non-current liabilities	230.25	(469.54)
	Provisions	(41.25)	(102.96)
	Cash generated from operations	**5938.03**	**5367.78**
	Income tax paid (net)	(35.19)	(11.53)
	Net cash flows from operating activities (A)	**5902.84**	**5356.25**
B.	**Cash flows from investing activities:**		
	Purchase of property, plant and equipments and intangible assets (including capital work-in-progress, capital advances)	(413.70)	(3049.30)
	Proceeds from sale of property, plant and equipments	58.70	14.84
	Bank balances not considered as cash and cash equivalents (net)	93.65	26.00
	Interest received	36.67	60.80
	Net cash flows used in investing activities (B)	**(224.68)**	**(2947.66)**

Statement of Cash Flows for the year ended 31 March, 2021 .... Contd.

₹ lakhs

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
C.	**Cash flows from financing activities:**		
	Proceeds from rights issue of equity shares (net of share issue expenses of ₹ 51.13 lakhs)	-	1170.30
	Proceeds from long-term borrowings	-	2500.00
	Unsecured loan from Director	200.00	-
	Repayment of long-term borrowings	(1782.56)	(2116.01)
	Net increase/(decrease) in short-term borrowings	(1920.25)	(1305.67)
	Interest paid	(1904.19)	(1875.93)
	Dividends paid	(3.07)	(95.20)
	Dividend distribution tax paid	-	(19.13)
	Payment of lease liabilities	(260.48)	(249.73)
	Net cash flows from/(used in) financing activities (C)	**(5670.55)**	**(1991.37)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**7.61**	**417.22**
	Cash and cash equivalents at the beginning of the year	(2234.93)	(2652.15)
	Cash and cash equivalents at the end of the year (Refer Note 11(C))	**(2227.32)**	**(2234.93)**

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Indian Accounting Standard 7 'Statement of Cash Flows'

See accompanying notes to the Financial Statements

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Aruna Kumaraswamy
Partner
Membership No: 219350

For and on behalf of the Board of Directors of Bharat Gears Limited

Surinder Paul Kanwar
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Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 11 June, 2021

Notes to the Financial Statements

for the year ended 31 March, 2021

Note 1 : Corporate information

Bharat Gears Limited is a public limited company domiciled in India and is incorporated under the provisions of Companies Act, 1956 on 23 December, 1971. The registered office of the Company is located at 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad, Haryana -121003. The Company has three manufacturing locations; two in the state Maharashtra at Mumbra, Thane and Lonand, Satara and one in the state of Haryana at Faridabad. Its shares are listed on two recognised stock exchanges in India. The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same.

The financial statements were approved by the Board of Directors and authorised for issue on 11 June, 2021.

Note 2 : Significant accounting policies

2.1 Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time by the Companies (Indian Accounting Standards) Rules, 2016 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis. Certain financial assets and liabilities are measured at fair value as explained in accounting policy of fair value measurement and financial instruments below.

The accounting policies adopted for preparation and presentation of financial statement have been consistently applied.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All values are rounded to nearest lakhs with two decimal except when otherwise indicated.

2.2 Current versus non-current classification:

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.3 Foreign currencies:

Transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

2.4 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure in these financial statements is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows:

Note 2: Significant accounting policies ... contd.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example- interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Property, plant and equipment:

Capital work in progress, Property, plant and equipment is stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

For Property, plant and equipment and Intangible assets existing as at 01 April, 2016 i.e. date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost as permitted by Ind AS 101- First time adoption. Accordingly, the net written down value as per previous GAAP as at 01 April, 2016 has been considered as deemed cost under Ind AS.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Buildings	:	3 - 60 years
Plant and equipments (owned/on lease)	:	15 years
Office equipments	:	3 - 6 years
Furniture and fixtures	:	8 -10 years
Vehicles	:	8 years

Note 2: Significant accounting policies ... contd.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.6 Intangible assets:

Intangible assets (i.e. computer software) are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Computer software are amortised on straight line basis over the estimated useful life of 6 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.7 Inventories:

Inventories are valued at the lower of cost and net realisable value, except for scrap which is valued at net realisable value.

Cost comprises of material cost and expenditure incurred in normal course of business in bringing inventories to its location and includes, where applicable, appropriate overheads.

Material cost is arrived at on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Impairment of non-financial assets:

At the end of each reporting period, the Company assesses whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.9 Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for such sale and its sale is highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.10 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Note 2: Significant accounting policies ... contd.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.11 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

(ii) Subsequent measurement of financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(iii) Derecognition of financial assets:

The Company derecognises a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

(iv) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(v) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

(vi) Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.12 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefit will be

Note 2: Significant accounting policies ... contd.

required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.13 Revenue recognition:

Revenue from contracts with customers :

The Company derives revenues primarily from sale of automotive gears, automotive components, construction of industrial furnaces and tooling development.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

(a) Sale of goods and rendering of services:

Revenue from sale of goods and rendering of services including export benefits thereon are recognised at the point in time when control of the goods or services are transferred to the customer, generally on delivery of goods or rendering of services.

(b) Construction contracts:

Revenue from contracts for construction of furnaces, where performance obligation is satisfied over a period of time, is recognised on the percentage of completion method based on the stage of completion determined with reference to the contract costs incurred up to the year end and the estimated total costs of the contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(c) Tooling development income:

Net income, if any, from development of tools is recognised at the point of time when performance obligation i.e. development of tool, is complete.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any.

The Company disaggregates revenues from contracts with customers based on the type of goods or services provided to customers, the geographical region and the timing of transfer of goods and services.

Contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenue are classified as contract liabilities. A receivable is a right to consideration that is unconditional upon passage of time.

Note 2: Significant accounting policies ... contd.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised.

Trade receivables and contract assets are presented net of impairment.

Interest income:

Interest income is recorded on time proportion basis using the effective interest rate (EIR).

2.14 Retirement and other employee benefits:

(i) Retirement benefit costs and long term compensated absences:

Payment to defined contribution retirement benefit plans i.e. recognised provident fund and superannuation fund are recognised as an expense when employees have rendered service entitling them to the contributions.

Company's liability towards gratuity, compensated absences and terminal ex-gratia is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(ii) Other employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Voluntary retirement scheme payouts are recognised as an expense in the period in which they are incurred.

2.15 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.16 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Note 2: Significant accounting policies ... contd.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use Assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.8 Impairment of non-financial assets.

ii) Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of property, plant & equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Taxes on income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current income tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Current income tax relating to items recognised outside the Statement of Profit or Loss are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to

Note 2: Significant accounting policies ... contd.

interpretation and establishes provisions where appropriate. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intend to settle the asset and liability on a net basis.

(b) Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit and loss (either in other comprehensive income or in equity).

2.18 Earnings per share:

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Note 3 : Use of estimates and judgements

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

(i) Property, plant and equipment - Refer Notes 2.5 & 5(A)

(ii) Intangible assets - Refer Notes 2.6 & 5(B)

(iii) Other Equity - Refer Note 15(B)

(iv) Non current borrowings - Refer Note 16

(v) Revenue from Contracts with customers - Refer Notes 2.13 & 24

(vi) Retirement and other employee benefits - Refer Notes 2.14 & 34

(vii) Taxes on income - Refer Notes 2.17 & 32

(viii) Leases - Refer Note 33

(ix) Estimation of uncertainties relating to the global health pandemic from COVID-19 - Refer Note 43

Note 4 : Changes in accounting policies and disclosure

4.1 Changes in accounting policies and disclosure:

Recent Pronouncements issued but not yet effective:

The amendments to standards and disclosure requirements that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards and disclosure requirements, if applicable when they become effective.

Amendments to Schedule III of Companies Act, 2013 (as amended):

The Ministry of Corporate Affairs ("MCA") through a notification dated 24 March, 2021, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April, 2021. The key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

(i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(iii) Specified format for disclosure of shareholding of promoters.

(iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

(i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Note 5(A) : Property, plant and equipment

₹ lakhs

Description of assets	Land - freehold @	Buildings **	Plant and equipment - owned	Plant and equipment - on lease $	Office equipment - owned $$	Office equipment - Lease	Furniture and fixtures	Vehicles	Leasehold improvement	Total
I. At Cost or deemed cost:										
Balance as at 01 April, 2019	659.81	2753.43	15459.92	176.18	374.88	55.74	414.93	13.10	0.09	19908.08
Additions	-	1099.95	1356.39	-	52.90	-	47.12	5.71	-	2562.07
Disposals	-	(4.64)	(13.19)	-	(0.54)	-	(0.94)	-	-	(19.31)
Adjustment (Refer Note 33)	-	-	-	-	-	(55.74)	-	-	-	(55.74)
Balance as at 31 March, 2020	**659.81**	**3848.74**	**16803.12**	**176.18**	**427.24**	**-**	**461.11**	**18.81**	**0.09**	**22395.10**
Additions	-	33.20	355.65	-	11.72	-	1.01	-	-	401.58
Disposals	-	-	(136.23)	-	(2.35)	-	(2.55)	-	-	(141.13)
Balance as at 31 March, 2021	**659.81**	**3881.94**	**17022.54**	**176.18**	**436.61**	**-**	**459.57**	**18.81**	**0.09**	**22655.55**
II. Depreciation/impairment										
Balance as at 01 April, 2019	-	362.57	4697.58	121.09	181.49	0.90	160.46	1.75	-	5525.84
Depreciation charge for the year	-	134.89	2135.31	37.61	59.12	-	54.88	1.88	-	2423.69
Eliminated on disposal of assets	-	(0.68)	(2.56)	-	(0.12)	-	(0.59)	-	-	(3.95)
Adjustment (Refer Note 33)	-	-	-	-	-	(0.90)	-	-	-	(0.90)
Balance as at 31 March, 2020	**-**	**496.78**	**6830.33**	**158.70**	**240.49**	**-**	**214.75**	**3.63**	**-**	**7944.68**
Depreciation charge for the year	-	158.72	1893.13	9.27	62.71	-	49.93	2.13	-	2175.89
Eliminated on disposal of assets	-	-	(92.96)	-	(1.99)	-	(2.12)	-	-	(97.07)
Balance as at 31 March, 2021	**-**	**655.50**	**8630.50**	**167.97**	**301.21**	**-**	**262.56**	**5.76**	**-**	**10023.50**
Net book value (I-II)										
Balance as at 31 March, 2021	**659.81**	**3226.44**	**8392.04**	**8.21**	**135.40**	**-**	**197.01**	**13.05**	**0.09**	**12632.05**
Balance as at 31 March, 2020	659.81	3351.96	9972.79	17.48	186.75	-	246.36	15.18	0.09	14450.42

(@) Includes certain area of freehold land having a Net book value of ₹ 127.13 lakhs (As at 31 March, 2020: ₹ 127.13 lakhs), where the name mentioned in the records of the Government do not match with the indenture of conveyance available with the Company in respect of such land. The Company has initiated necessary action for correction.

** Buildings include 10 shares of ₹ 50/- each in Venkatesh Premises Co-operative Society Ltd. - Total ₹ 500 /- (As at 31 March, 2020: ₹ 500/-).

($) Includes items of Plant and equipment having Net book value of ₹ 8.21 lakhs (As at 31 March, 2020: ₹ 17.48 lakhs) in respect of which lease periods have expired, the transfer in the name of Company is under process.

($$) Includes Computers and miscellaneous equipment.

Note 5(B) : Intangible assets

₹ lakhs

Description of assets	Computer software acquired
I. At Cost or deemed cost:	
Balance as on 01 April, 2019	284.74
Additions	10.76
Disposals	-
Balance as at 31 March, 2020	**295.50**
Additions	7.72
Disposals	-
Balance as at 31 March, 2021	**303.22**
II. Amortisation	
Balance as on 01 April, 2019	134.86
Amortisation expense for the year	33.37
Balance as at 31 March, 2020	**168.23**
Amortisation expense for the year	28.35
Balance as at 31 March, 2021	**196.58**
Net book value (I-II)	
Balance as at 31 March, 2021	**106.64**
Balance as at 31 March, 2020	127.27

Note 5(C) : Right-of-use assets

₹ lakhs

Description of assets	Land	Buildings	Vehicles	Office equipment@	Total
I. At present value of lease liability					
Balance as at 01 April, 2019 (present value of lease liability)	2.91	394.18	88.30	55.74	541.13
Additions	-	90.32	-	-	90.32
Termination	-	(57.09)	-	-	(57.09)
Balance as at 31 March, 2020	**2.91**	**427.41**	**88.30**	**55.74**	**574.36**
Additions	-	377.72	76.14	-	453.86
Termination	-	-	-	-	-
Balance as at 31 March, 2021	**2.91**	**805.13**	**164.44**	**55.74**	**1028.22**
II. Depreciation/impairment					
Balance as at 01 April, 2019	-	-	-	0.90	0.90
Depreciation charge for the period	0.06	150.14	50.85	10.62	211.67
Eliminated on termination	-	(14.35)	-	-	(14.35)
Balance as at 31 March, 2020	**0.06**	**135.79**	**50.85**	**11.52**	**198.22**
Depreciation charge for the period	0.06	151.44	48.37	10.59	210.46
Eliminated on termination	-	-	-	-	-
Balance as at 31 March, 2021	**0.12**	**287.23**	**99.22**	**22.11**	**408.68**
Net book value (I-II)					
Balance as at 31 March, 2021	**2.79**	**517.90**	**65.22**	**33.63**	**619.54**
Balance as at 31 March, 2020	2.85	291.62	37.45	44.22	376.14

@The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases under Ind AS 17. The requirements of Ind AS 116 were applied to these leases from 01 April, 2019.

Footnote:

(i) For details of Property, plant and equipment charged as security for borrowings Refer Note 16 & Note 21.

(ii) For details of Right-of-use assets Refer Note 33.

Note 6 : Financial assets - Loans

(A) Non-current

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Loans and advances to employees		
Unsecured, considered good	191.37	164.26
Total	**191.37**	**164.26**

(B) Current

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Loans and advances to employees		
Unsecured, considered good	56.00	61.12
Total	**56.00**	**61.12**

Note 7 : Financial assets - Others

(A) Non-current

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Security deposits (Refer Footnote below)		
Unsecured, considered good	215.16	207.03
Total	**215.16**	**207.03**

Footnote:

Security deposits include ₹ 48.11 lakhs (As at 31 March, 2020: ₹ 44.42 lakhs) due from directors and ₹ 2.14 lakhs (As at 31 March, 2020: ₹ 1.90 lakhs) due from a private limited company, in which directors of the Company are directors.

Note 7 : Financial assets - Others ... Contd.

(B) Current

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good			
(a)	Security deposit (Refer Footnote (i) below)	39.65	52.51
(b)	Interest accrued on deposits	4.03	4.05
(c)	Contract assets (Refer Note 37(A)) (Includes amount due from a related party ₹ 27.76 lakhs (As at 31 March, 2020 : ₹ 38.52 lakhs) - Services rendered to Xlerate Driveline India Limited (XDIL))	325.04	38.52
(d)	Others (Refer Footnote (ii) below)	175.74	178.84
	Total	**544.46**	**273.92**

Footnote:

(i) Security deposits include ₹ 2.50 lakhs (As at 31 March, 2020: ₹ 2.26 lakhs) due from a private limited company, in which directors of the Company are directors.

(ii) Others include ₹ 24.24 lakhs (As at 31 March, 2020: ₹ 22.23 lakhs) due from private limited companies, in which directors of the Company are directors.

Note 8 : Other non-current assets

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good			
(a)	Capital advances	12.76	27.92
(b)	Prepaid expenses	68.07	50.64
(c)	Contract Assets - Prepaid tooling expenses (Refer Note 37(A))	237.21	241.88
(d)	Others	40.26	40.26
	Total	**358.30**	**360.70**

Note 9 : Inventories

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Raw materials and components:		
	- Automotive gears	1613.06	1249.08
	- Automotive components	50.19	71.15
		1663.25	**1320.23**
(b)	Work-in-progress:		
	- Automotive gears	3659.59	2792.90
(c)	Finished goods:		
	- Automotive gears	1510.61	1663.43
	- Automotive components	191.20	202.18
		1701.81	**1865.61**
(d)	Stores and spares	641.25	551.25
(e)	Loose tools	1361.49	1275.52
(f)	Scrap	11.35	9.25
	Total	**9038.74**	**7814.76**

Footnotes:

(i) The cost of inventories recognized as an expense includes ₹ 259.58 lakhs (Year ended 31 March, 2020: ₹ 313.37 lakhs) in respect of write-down (net) of inventory to net realisable value and provision for slow and non moving inventory.

(ii) The mode of valuation of inventories has been stated in Note 2.7.

(iii) For details of inventories provided as security for borrowings Refer Note 21 and Footnote (ii) of Note 16.

Note 10 : Trade receivables

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Other trade receivables		
Unsecured, considered good	10647.07	10239.62
Less: Provision for expected credit loss	19.64	20.35
Total	**10627.43**	**10219.27**

Footnotes:

(i) Trade receivables include ₹ 2.77 lakhs (As at 31 March, 2020: ₹ 44.77 lakhs) due from Companies, in which directors of the Company are directors.

(ii) The Company is primarily engaged in manufacturing and selling of Automotive Gears and Components. Credit period varies from customer to customer. Average credit period is 30 - 90 days in respect of export customers and 30 - 60 days from the date of receipt of goods in respect of domestic customers. No interest is recovered on trade receivables for payments received after due date.

(iii) As at 31 March, 2021, the Company had 5 customers (As at 31 March, 2020: 4 customers) that owed the Company more than ₹ 500 lakhs each and accounted for approximately 48.64% of all the receivables outstanding (As at 31 March, 2020: 46.19%).

(iv) The Company maintains an allowance for impairment of receivables accounts based on ageing of customer receivables, overdues and historical experience of collections from customer(s).

Movement of impairment of trade receivable (including allowance for doubtful debts):

Particulars	₹ lakhs
Balance as at 31 March, 2019	**37.81**
Add: Created during the year	-
Less: Released during the year	17.46
Balance as at 31 March, 2020	**20.35**
Add: Created during the year	11.37
Less: Released during the year	12.08
Balance as at 31 March, 2021	**19.64**

Note 11 : Cash and cash equivalents and other bank balances

(A) Cash and cash equivalents

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Cash on hand	5.48	5.43
(b)	Balances with banks:		
	- In current accounts	4.34	60.48
	- Others	-	3.29
	Total	**9.82**	**69.20**

(B) Other bank balances

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	In earmarked accounts (Refer Footnote below)		
	- Unpaid dividend accounts	3.09	6.16
(b)	Balances held as margin money or security against borrowings, guarantees and other commitments	554.37	644.95
	Total	**557.46**	**651.11**

Footnote:

Balances with banks which have restrictions on utilisation.

Note 11 : Cash and cash equivalents and other bank balances ... Contd.

(C) For the purpose of Statement of Cash flows, cash and cash equivalents comprise of the following:

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash and cash equivalents as above	9.82	69.20
Loans repayable on demand - from banks (Refer Note 21)	(2237.14)	(2304.13)
Total	(2227.32)	(2234.93)

(D) Changes in liabilities arising from financing activities:

₹ lakhs

Particulars	Lease liabilities (Refer Note 18)	Borrowing - Non current (Refer Note 16)	Borrowing - current (Refer Note 21)
Balance as at 01 April, 2019	**55.03**	**10159.79**	**3225.92**
Acquisition (net)	532.97	-	-
Cash Flow (net)	(249.73)	383.99	(1305.67)
Others	56.42	(1.58)	-
Balance as at 31 March, 2020	**394.69**	**10542.20**	**1920.25**
Acquisition	453.86	-	-
Cash Flow (net)	(260.48)	(1582.56)	(1920.25)
Others	86.06	(61.22)	-
Balance as at 31 March, 2021	**674.13**	**8898.42**	**-**

Note 12 : Current tax assets

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Advance income tax		
Unsecured, considered good	91.90	55.47
Total	91.90	55.47

Note 13 : Other current assets

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good		
(a) Prepaid expenses	134.78	133.91
(b) Advances to suppliers	156.80	183.38
(c) Balances with government authorities		
(i) VAT credit receivable	24.19	45.13
(ii) Goods and Services Tax receivable	1169.16	573.66
(d) Export incentives receivable	473.71	386.78
(e) Others	197.60	180.17
Total	2156.24	1503.03

Note 14 : Non-current asset held for sale

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Freehold Land (Refer Note 42)	12.30	12.30
Total	**12.30**	**12.30**

Note 15 (A) : Equity share capital

	Particulars	As at 31 March, 2021		As at 31 March, 2020	
		Number of shares	₹ lakhs	Number of shares	₹ lakhs
(a)	**Authorised**				
	Equity shares of ₹ 10 each	20000000	2000.00	20000000	2000.00
	Cumulative redeemable convertible or non convertible preference shares of ₹ 100 each	1500000	1500.00	1500000	1500.00
	Total	**21500000**	**3500.00**	**21500000**	**3500.00**
(b)	**Issued, Subscribed and paid up**				
	Equity shares of ₹ 10 each, fully paid up, outstanding at the end of the year	9306095	930.61	9306095	930.61
	Total	**9306095**	**930.61**	**9306095**	**930.61**
(c)	**Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:**				
	Opening balance	9306095	930.61	8142833	814.28
	Add: Rights issue of equity shares (Refer Footnote (iii) below)	-	-	1163262	116.33
	Closing balance	**9306095**	**930.61**	**9306095**	**930.61**

Footnotes:

(i) The Company has only one class of Equity shares having a face value of ₹ 10/- each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members according to their respective rights. While no dividends shall exceed the amount recommended by the Board, the Company in General Meeting may declare a smaller dividend.

(ii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(iii) In accordance with terms of approval of Board of Directors at their meeting held on 09 October, 2018, the Company on 10 May, 2019 allotted 11,63,262 equity shares at a Price of ₹ 105 per share (including premium of ₹ 95 per share) to existing shareholders on rights issue. Pursuant to this allotment, the securities premium stands increased by ₹ 1053.98 lakhs net of share issue expenses of ₹ 51.13 lakhs.

(v) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Surinder Paul Kanwar	3367570	36.19	3367570	36.19
Ultra Consultants Private Limited	1411109	15.16	1411109	15.16

Note 15 (B) : Other equity

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Capital redemption reserve	588.50	588.50
(b)	Securities premium (Refer Footnote (iii) of Note 15(A))	2447.88	2447.88
(c)	General reserve	1756.45	1756.45
(d)	Retained earnings	1696.80	2466.86
(e)	Equity component of liability	98.67	-
(f)	Other comprehensive income	(137.63)	(232.89)
	Total	**6450.67**	**7026.80**

Footnotes:

(i) Description of nature and purpose of reserve

(a) Capital redemption reserve:

Capital redemption reserve was created pursuant to the redemption of preference shares issued in earlier years.

The capital redemption reserve may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

(b) Securities premium:

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities premium". The Company may issue fully paid-up bonus shares to its members out of balance lying in securities premium and the Company can also use this reserve for buy-back of shares.

(c) General reserve:

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares.

(d) Equity component of liability:

The Company has obtained an interest free unsecured loan of ₹ 200 lakhs from a promoter director in accordance with the terms and conditions as stated in the agreement dated 15 February, 2021 signed with the lender. The liability is accounted at amortised cost and the difference between the liability and the amortised cost amounting to ₹ 98.67 lakhs is included as additional capital contribution and disclosed under "Other Equity". The Loan is repayable on demand only post satisfaction of dues of the existing lender and accordingly discounting has been considered over such period of repayment of the original loan from the lenders.

(ii) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

(iii) The details of dividend are as under:

Declared & Paid:

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Dividend paid @ ₹ Nil per share (31 March, 2020: ₹ 1.00 per share)	-	93.06
Dividend distribution tax thereon @ 20.555%	-	19.13
Total	**-**	**112.19**

Note 16 : Non current borrowings

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Term loans - Secured		
	From banks (Refer Footnotes (i))	-	82.87
	Less: Current maturities of long-term debts (Refer Note 17(B) (a))	-	82.87
		-	-
	From others (Refer Footnotes (ii) and (iii))	8797.09	10459.33
	Less: Current maturities of long-term debts (Refer Note 17(B) (a))	2236.03	2228.74
		6561.06	**8230.59**
(b)	Loan from Director - Unsecured (Refer Footnote (i)(d) of Note 15(B))	101.33	-
	Total	**6662.39**	**8230.59**

Footnotes:

(i) Term loans from banks:

Rupee loan from HDFC Bank Limited:

₹ Nil (As at 31 March, 2020: ₹ 82.87 lakhs): Secured by exclusive charge on office premises situated at Nariman Point, Mumbai.

(ii) Term loans from others:

Rupee loan from KKR India Financial Services Limited:

₹ 6329.62 lakhs (As at 31 March, 2020: ₹ 7998.86 lakhs): Facility I - Secured by first pari passu charge created on Fixed Assets of the Company located at Mumbra plant, Faridabad plant and Satara plant. Repayable in quarterly installments commencing from 31 March, 2019 and carries an interest rate of 13.35% p.a.p.m.

₹ 2467.47 lakhs (As at 31 March, 2020: ₹ 2460.47 lakhs): Facility II - Secured by first pari passu charge over movable and immovable fixed assets of the Company located at Mumbra plant, Faridabad plant and Satara plant, and by charge over the current assets of the Company which rank second subject & subservient to charges created in favour of borrowings referred to in Footnote of Note 21. Repayable in quarterly installments will commence from 30 June, 2022 and carries an interest rate of 13.35% p.a.p.m.

(iii) Rupee loan referred in footnote (ii) above, is also guaranteed by a Director of the Company.

Note 17 : Other financial liabilities

(A) Non-current

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Voluntary retirement scheme	303.61	129.77
Total	**303.61**	**129.77**

(B) Current

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Current maturities of long-term debts (Refer Note 16):		
	From banks	-	82.87
	From others	2236.03	2228.74
(b)	Interest accrued but not due on borrowings	10.58	0.92
(c)	Unpaid dividends (Refer Footnote below)	3.09	6.16
(d)	Other payables:		
	(i) Payables on purchase of property, plant and equipment	55.78	160.28
	(ii) Others	112.49	119.02
	Total	**2417.97**	**2597.99**

Footnote:

The figures reflect the position as at the year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date.

Note 18 : Lease liabilities

(A) Non-current

₹ lakhs

Particulars		As at 31 March, 2021	As at 31 March, 2020
(a)	Land	2.91	2.91
(b)	Buildings	453.72	196.96
(c)	Vehicles	19.56	19.37
(d)	Office equipment	24.84	35.96
	Total	**501.03**	**255.20**

(B) Current

₹ lakhs

Particulars		As at 31 March, 2021	As at 31 March, 2020
(a)	Land	-	-
(b)	Buildings	111.85	109.19
(c)	Vehicles	50.12	20.27
(d)	Office equipment	11.13	10.03
	Total	**173.10**	**139.49**

Footnote:

For details on lease agreements Refer Note 33.

Note 19 : Provisions

(A) Non-current

₹ lakhs

Particulars		As at 31 March, 2021	As at 31 March, 2020
Employee benefits:			
(i)	Compensated absences	410.84	433.06
(ii)	Other employee benefits (Terminal Ex-gratia) (Refer Note 34(B))	24.79	28.26
	Total	**435.63**	**461.32**

(B) Current

₹ lakhs

Particulars			As at 31 March, 2021	As at 31 March, 2020
(a)	Employee benefits:			
	(i)	Compensated absences	79.35	88.28
	(ii)	Other employee benefits (Terminal Ex-gratia) (Refer Note 34(B))	5.44	5.35
			84.79	**93.63**
(b)	Provision for warranty (Refer Note 37(B))		13.91	20.63
			13.91	**20.63**
		Total	**98.70**	**114.26**

(C) Current tax liabilities (net)

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for tax (net of advance tax ₹ 658.11 lakhs (As at 31 March, 2020: ₹ 659.35 lakhs))	41.39	40.15
Total	**41.39**	**40.15**

Note 20 : Other non-current liabilities

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Contract liabilities (Refer Note 37(A))	321.65	214.43
(b)	Provision for gratuity (net) (Refer Note 34(B))	1637.32	1715.61
	Total	**1958.97**	**1930.04**

Note 21 : Current borrowings

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Loans repayable on demand		
From banks - Secured (Refer Footnote below) (Includes funded interest of ₹ Nil (As at 31 March, 2020: ₹ 22.71 lakhs))	2237.14	2304.13
From others - Unsecured	-	1920.25
Total	**2237.14**	**4224.38**

Footnote:

Loans repayable on demand from banks are secured by hypothecation of stocks of raw materials, stock in process, semi finished and finished goods, loose tools, general stores and book debts and all other moveables, both present and future, and by joint mortgage created for all immoveable properties of the Company located at Mumbra, Faridabad and Satara plants together with all buildings, plant and machinery thereon which rank second subject and subservient to charges created in favour of loans referred to in footnote (ii) of Note 16.

Note 22 : Trade Payables

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Total outstanding dues of micro enterprises and small enterprises (including acceptances) (Refer Note 31.2)	496.85	280.57
Total outstanding dues of trade payables other than micro enterprises and small enterprises (including acceptances):		
Others	15151.18	10604.67
Related parties	3.00	21.22
Total	**15651.03**	**10906.46**

Footnote:

Trade payables are non-interest bearing and generally have a payment terms of 30 to 120 days.

Note 23 : Other current liabilities

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(a)	Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Goods and Services Tax etc.)	181.02	151.40
(b)	Contract liabilities (Refer Note 37(A))	37.27	94.24
(c)	Trade/security deposits	3.75	23.75
(d)	Provision for gratuity (net) (Refer Note 34(B))	277.80	156.47
(e)	Others	1.11	1.11
	Total	**500.95**	**426.97**

Note 24 : Revenue from operations

₹ lakhs

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
I.	**Revenue from contracts with customers:**		
	(a) Sale of products (Refer Footnotes (i)(a), (ii)(a) & (v) below)	48981.43	44678.98
	(b) Services rendered (Refer Footnotes (i)(b) & (ii)(b) & (v) below)	122.43	494.65
	Total - Revenue from contracts with customers	**49103.86**	**45173.63**
II.	**Other operating revenues (Refer Footnote (iii) below)**	**1198.93**	**1138.35**
	Revenue from operations (I+II)	**50302.79**	**46311.98**

Footnotes:

₹ lakhs

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i)	**Goods and services transferred at a point in time**		
	(a) Sale of products comprises:		
	Manufactured goods:		
	- Automotive gears (Includes processing charges ₹ 458.41 lakhs (Year ended 31 March, 2020: ₹ 392.97 lakhs))	46003.70	40803.63
	- Automotive components	2144.37	2341.62
	- Tooling development	407.88	356.59
	(b) Services rendered	92.87	154.40
(ii)	**Goods and services transferred over time (Refer Footnote (iv) below)**		
	(a) Sale of products comprises:		
	- Industrial furnaces	425.48	1177.14
	(b) Services rendered	29.56	340.25
	Total - Revenue from contracts with customers	**49103.86**	**45173.63**
(iii)	**Other operating revenues comprises:**		
	- Sale of scrap	346.58	347.67
	- Export incentives (Refer Footnote (vi) below)	595.95	644.78
	- Liabilities/provisions no longer required written back	19.25	35.92
	- Miscellaneous income	237.15	109.98
	Total - Other operating revenues	**1198.93**	**1138.35**

(iv) Revenue from contracts is recognized as stated in Note 2.13(b)

(v) For disaggregation of revenue by geography Refer Note 38(b) - Segment information

(vi) Merchandise Exports from India Scheme (MEIS) has been replaced by Remission of Duties and Taxes on Exported Products scheme (RoDTEP) w.e.f. 01 January, 2021. The Company is eligible for claim under the new scheme, however pending Government notification on rates, Company has not accrued income in respect of new scheme for the period 01 January, 2021 to 31 March, 2021.

(vii) Reconciliation of revenue recognised with contracted price:

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Revenue as per contracted price	49681.47	46440.77
Adjustments for:		
Sales return, volume discount, price incentive, price variation, others	577.61	1267.14
Revenue from contracts with customers	49103.86	45173.63

Note 25 : Other income

₹ lakhs

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	Interest income (Refer Footnote (i) below)	52.30	74.96
(b)	Net gain on foreign currency transactions and translation	56.64	398.89
(c)	Other non-operating income (Refer Footnote (ii) below)	27.87	13.73
	Total	**136.81**	**487.58**

Footnotes:

₹ lakhs

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(i)	Interest income comprises:		
	Interest on financial assets at amortised cost:		
	- On bank deposits	0.06	10.25
	- On margin money with banks	36.44	39.70
	- On security deposits and loans to employees	15.65	15.83
	Others	0.15	0.15
	Interest on income tax refund	-	9.03
	Total - Interest income	**52.30**	**74.96**
(ii)	Other non-operating income comprises:		
	Rent	8.58	8.55
	Profit on sale of property, plant and equipment	19.29	5.18
	Total - Other non-operating income	**27.87**	**13.73**

Note 26 (A) : Cost of material and components consumed

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening stock	1320.23	1337.01
Add: Purchases	25941.71	22228.05
	27261.94	**23565.06**
Less: Closing stock	1663.25	1320.23
Cost of materials and components consumed	**25598.69**	**22244.83**
Material and components consumed comprises:		
Forgings	23873.62	19727.84
Automotive components	1498.66	1589.84
Others	226.41	927.15
Total	**25598.69**	**22244.83**

Note 26 (B) : Changes in inventories of finished goods and work-in-progress

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Inventories at the end of the year:		
Finished goods	1701.81	1865.61
Work-in-progress	3659.59	2792.90
	5361.40	**4658.51**
Inventories at the beginning of the year:		
Finished goods	1865.61	3099.46
Work-in-progress	2792.90	3155.58
	4658.51	**6255.04**
Net (increase)/decrease	**(702.89)**	**1596.53**

Note 27 : Employee benefits expense

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Salaries and wages (Refer Footnote below)	6823.13	7483.08
Contributions to provident and other funds	364.67	579.51
Gratuity expenses	247.35	242.54
Staff welfare expenses	812.30	675.23
Total	**8247.45**	**8980.36**

Footnote:
Includes Voluntary retirement scheme expense of ₹ 195.12 lakhs (for the year ended 31 March, 2020: ₹ 144.60 lakhs).

Note 28 : Finance costs

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Interest expense on:		
(i) Borrowings	1914.91	1691.52
(ii) Others		
- Discounting charges	26.03	197.13
- Interest on delayed payment to micro and small enterprises	42.05	19.14
- Lease liabilities	86.06	56.42
- Others	21.21	3.11
(b) Other borrowing costs (Bank and other financing charges)	176.32	197.50
Total	**2266.58**	**2164.82**

Note 29 : Depreciation and amortisation expense

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation of tangible assets	2175.89	2423.69
Depreciation of right-of-use assets	210.46	211.67
Amortisation of intangible assets	28.35	33.37
Total	2414.70	2668.73

Note 30 : Other expenses

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Consumption of stores and spare parts	1340.45	1274.19
Consumption of loose tools	1555.96	1198.24
Consumption of packing materials	1019.66	796.07
Processing charges	2392.99	1435.86
Power and fuel	3400.85	3382.61
Rent including lease rentals (Refer Note 33(C))	193.00	178.74
Repairs and maintenance:		
- Buildings	46.26	136.28
- Machinery	458.24	375.50
- Others	781.42	777.27
Travelling, conveyance and car expenses	227.60	464.50
Freight, forwarding and other charges	1115.14	446.48
Auditors' remuneration (Refer Footnote (i) below)	34.55	33.34
Bad debts written off	3.36	-
Loss on disposal of property, plant and equipment	4.65	5.69
Allowance for doubtful debts	11.37	-
Miscellaneous expenses (Refer Footnote (ii) below)	994.40	1121.77
Total	13579.90	11626.54

Footnotes :

(i) Auditors' remuneration (net of GST):

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
As auditors:		
- Statutory audit	19.60	17.00
- Limited review	12.27	12.00
- Corporate Governance	1.00	2.00
In other capacity:		
- For certification (Refer note below)	1.25	-
Reimbursement of expenses	0.43	2.34
Total	34.55	33.34

Excludes certification charges paid to statutory auditors in relation to issue of equity shares ₹ Nil (for the year ended 31 March, 2020: ₹ 2.50 lakhs - debited to securities premium).

(ii) Includes ₹ 24.23 lakhs incurred on Corporate Social Responsibility expenditure (for the year ended 31 March, 2020: ₹ 3.60 lakhs) (Refer Note 41).

Note 31 : Additional information to the financial statements

₹ lakhs

Note	Particulars	As at 31 March, 2021	As at 31 March, 2020
31.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	**Contingent liabilities:**		
	Claims against the Company not acknowledged as debt:		
	1. In respect of Employees:		
	(i) The Company has filed an appeal in the Bombay High Court against the order passed by Third Labour Court on issue of back wages and reinstatement of 11 employees.	40.26	40.26
	(ii) In respect of claim of permanency of services and/or back wages (less subsistence allowance paid, if any) filed by set of temporary/permanent workmen before the Industrial Court, Thane/Labour Court/Bombay High Court.	Not ascertainable	Not ascertainable
	2. Others:		
	(i) The Company's appeal is pending before the Bombay High Court against the order passed by Central Government Industrial Tribunal, on issue of provident fund dues on subsistence allowance.	1.27	1.27
	(ii) The Company's appeal is pending before Central Government Industrial Tribunal against the order passed by Regional Provident Fund Commissioner, on issue of provident fund dues on difference of wages of certain employees.	0.87	0.87
	Future ultimate outflow of resources embodying economic benefits in respect of these matters is uncertain as it depends on financial outcome of judgements/decisions on the matters involved.		
(ii)	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances):		
	Property, plant and equipment	86.31	114.75
	Intangible assets	-	0.57
		86.31	**115.32**

31.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakhs

	Particulars	As at 31 March, 2021	As at 31 March, 2020
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	496.85	280.57
(ii)	Principal amount remaining unpaid beyond 45 days to any supplier as at the end of the accounting year	231.00	87.04
(iii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iv)	The amount of principal paid beyond the appointed day	1833.72	1402.95
(v)	The amount of interest due and payable for the year	42.05	19.14
(vi)	The amount of interest accrued and remaining unpaid at the end of the accounting year	61.19	19.14
(vii)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The information disclosed above in respect of principal and/or interest due to Micro and Small Enterprises has been determined on the basis of information available with the Company and confirmations/informations received from the suppliers for registration under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

Note 32: Income tax

(A) Major components of income tax expense:

₹ lakhs

Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a)	**Statement of Profit and Loss:**		
	(i) Current income tax:		
	- In respect of current year	-	-
	- In respect of prior years	-	(49.86)
	(ii) Deferred tax:		
	Relating to origination and reversal of temporary differences:		
	- In respect of current year	(226.70)	(554.61)
	- In respect of prior years	31.93	-
	Total tax expense recognised in Statement of Profit and Loss	**(194.77)**	**(604.47)**
(b)	**Other comprehensive income (OCI):**		
	Deferred tax - Remeasurement of the defined benefits obligations	32.08	8.88
	Total tax expense recognised in other comprehensive income	**32.08**	**8.88**

(B) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit before tax	(964.83)	(2482.25)
Applicable tax rate (Refer footnote below)	25.168%	25.168%
Computed tax expense	(242.83)	(624.73)
Effect of expenses that is non-deductible in determining taxable profit	16.68	7.61
Effect of change in tax rate	-	61.01
Adjustments in respect of current/deferred income tax of previous years	31.93	(49.86)
Others	(0.55)	1.50
Income tax expense recognised in Statement of Profit or Loss	**(194.77)**	**(604.47)**
Effective tax rate	**20.187%**	**24.352%**

Footnote:

The Company has elected to exercise option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the financial statements for the year ended 31 March, 2020.

Note 32 (C) : Deferred tax

₹ lakhs

Particulars	For the year ended 31 March, 2021			
	Balance as at 31 March, 2020	Recognised in Profit and loss	Recognised in OCI	Balance as at 31 March, 2021
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment & intangible assets	334.06	(124.52)	-	209.54
Lease rent	1.22	(0.91)	-	0.31
Others	27.14	(9.42)	-	17.72
(A)	**362.42**	**(134.85)**	**-**	**227.57**
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	532.71	34.31	-	567.02
Other disallowances under Section 43B of the Income-tax Act, 1961	84.92	(9.22)	-	75.70
Unabsorbed depreciation	423.21	(3.80)	-	419.41
Payments made under Voluntary Retirement Scheme	69.87	28.97	-	98.84
Remeasurement of defined benefits obligations	78.12	-	(32.08)	46.04
Lease	4.67	9.07	-	13.74
Others	19.73	0.59	-	20.32
(B)	**1213.23**	**59.92**	**(32.08)**	**1241.07**
Deferred tax liabilities/(assets) (net)	**(850.81)**	**(194.77)**	**32.08**	**(1013.50)**

₹ lakhs

Particulars	For the year ended 31 March, 2020			
	Balance as at 31 March, 2019	Recognised in Profit and loss	Recognised in OCI	Balance as at 31 March, 2020
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment & intangible assets	624.93	(290.87)	-	334.06
Lease rent	25.41	(24.19)	-	1.22
Others	37.13	(9.99)	-	27.14
(A)	**687.47**	**(325.05)**	**-**	**362.42**
Tax effect of items constituting deferred tax assets:				
Provision for compensated absences, gratuity and other employee benefits	727.53	(194.82)	-	532.71
Other disallowances under Section 43B of the Income-tax Act, 1961	84.67	0.25	-	84.92
Unabsorbed depreciation	-	423.21	-	423.21
Payments made under Voluntary Retirement Scheme	80.06	(10.19)	-	69.87
Remeasurement of defined benefits obligations	87.00	-	(8.88)	78.12
Lease	0.07	4.60	-	4.67
Others	13.21	6.51	-	19.73
(B)	**992.54**	**229.56**	**(8.88)**	**1213.23**
Deferred tax liabilities/(assets) (net)	**(305.07)**	**(554.61)**	**8.88**	**(850.81)**

Footnote:

Recognition of deferred tax assets is based on the Company's present estimates and business plans as per which the future taxable profits will be generated against which deferred tax will be realized.

Note 33 : Leases

A. Following are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Description of assets	₹ lakhs
I.	**Right-of-use assets**	
	Balance as at 01 April, 2019 (present value of lease liability) @	541.13
	Additions	90.32
	Termination	(57.09)
	Balance as at 31 March, 2020	**574.36**
	Additions	453.86
	Termination	-
	Balance as at 31 March, 2021	**1028.22**
II.	**Depreciation/impairment**	
	Balance as at 01 April, 2019	**0.90**
	Depreciation charge for the year	211.67
	Eliminated on termination	(14.35)
	Balance as at 31 March, 2020	**198.22**
	Depreciation charge for the year	210.46
	Eliminated on termination	-
	Balance as at 31 March, 2021	**408.68**
	Net book value (I-II)	
	Balance as at 31 March, 2021	**619.54**
	Balance as at 31 March, 2020	**376.14**

@The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases under Ind AS 17. The requirements of Ind AS 116 were applied to these leases from 01 April, 2019.

B. Following are the carrying amounts of lease liabilities recognised and the movements during the year:

	Description of liabilities	₹ lakhs
I.	**Lease liabilities**	
	Balance as at 01 April, 2019 (present value of lease liability)	541.13
	Additions	90.32
	Termination	(42.74)
	Balance as at 31 March, 2020	**588.71**
	Additions	453.86
	Termination	-
	Balance as at 31 March, 2021	**1042.57**
II.	**Accretion of interest & lease payments**	
	Balance as at 01 April, 2019	(0.71)
	Accretion of interest for the year	56.42
	Lease payments for the year	(249.73)
	Balance as at 31 March, 2020	**(194.02)**
	Accretion of interest for the year	86.06
	Lease payments for the year	(260.48)
	Balance as at 31 March, 2021	**(368.44)**
	Net book value (I-II)	
	Balance as at 31 March, 2021	**674.13**
	Current	**173.10**
	Non-Current	**501.03**
	Balance as at 31 March, 2020	394.69
	Current	139.49
	Non-Current	255.20

Note 33 : Leases .... Contd.

C. Following are the amounts recognised in Statement of Profit & Loss:-

Particulars	₹ lakhs
For the year ended 31 March, 2020:	
Depreciation expense of right-of-use assets	211.67
Interest expense on lease liabilities	56.42
Lease payments of short-term leases and low-value assets (included in other expenses) (Refer Note 30)	178.74
Total amount recognised in Statement of Profit & Loss	**446.83**
For the year ended 31 March, 2021:	
Depreciation expense of right-of-use assets	210.46
Interest expense on lease liabilities	86.06
Lease payments of short-term leases and low-value assets (included in other expenses) (Refer Note 30)	193.00
Total amount recognised in Statement of Profit & Loss	**489.52**

D. Total cash outflow for leases

Particulars	₹ lakhs
Cash outflow for the year ended 31 March, 2020	249.73
Cash outflow for the year ended 31 March, 2021	**260.48**

E. The maturity analysis of lease liabilities is disclosed in Note 39.

F. General description of the agreements:

(i) The agreements pertain to Land, Buildings, Vehicles & Office equipment.

(ii) The lease term ranges from three to ninety-nine years.

(iii) The agreements does not provide for transfer of assets to the Company on expiry of lease term, except in case of Office equipment.

(iv) There are no restrictions such as those concerning dividends, additional debt and further leasing imposed by the lease agreements entered into by the Company.

(v) Some of the agreements contain renewal clause and provide for escalation of rent on renewal. Some of the agreements provide for escalation of rent during the tenure of the agreement.

Note 34 : Employee benefits

Note	Particulars

(A) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss:

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
- Employers' contribution to Provident Fund and Family Pension Fund	285.35	414.23
- Employers' contribution to Superannuation Fund	15.54	92.35

The above amounts are included in Contributions to provident and other funds under Note 27 Employee benefits expense.

(B) Defined Benefit Plans

A general description of the Employees Benefit Plans:

(i) Gratuity (Funded)

The Company operates a defined benefit final salary gratuity plan which covers qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972 or maximum gratuity payable under the said Act, which ever is lower. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

The Company has set up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan. There are no minimum funding requirements. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act and Rules.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

(ii) Terminal Ex-gratia (Unfunded)

The Company has an obligation towards Terminal Ex-gratia, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment which varies depending upon the number of completed years of service to vested employees on completion of employment. Vesting occurs upon the completion of 15 years of service. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet:

Note 34 : Employee benefits ... Contd.

Note	Particulars

(a) Expense recognised in the Statement of Profit and Loss:

₹ lakhs

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2020	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(i) Under Statement of Profit and Loss				
Current service cost	120.14	1.28	114.26	1.40
Interest on net defined benefit liability/(asset)	127.21	2.28	128.28	2.65
Past service cost	-	-	-	-
Total expense recognised in the Statement of Profit and Loss	***247.35**	****3.56**	***242.54**	****4.05**
(ii) Under other comprehensive income				
Actuarial (gains)/losses				
Due to change in demographic assumptions	-	-	0.03	(0.03)
Due to change in financial assumptions	-	-	139.64	1.48
Due to change in experience adjustments	(136.97)	0.46	(86.54)	0.64
Actual return on plan assets	9.17	-	8.31	-
Sub-total - Included in Other comprehensive income	**(127.80)**	**0.46**	**61.44**	**2.09**
Total expense	**119.55**	**4.02**	**303.98**	**6.14**

(* Included in Gratuity expense under Employee benefits expense in Note 27).

(** Included in 'Salaries and wages' under Employee benefits expense in Note 27).

₹ lakhs

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(b) Net liability recognised in the Balance Sheet:				
Present value of defined benefit obligation	1945.67	30.23	2009.78	33.61
Fair value of plan assets	30.55	-	137.70	-
Funded status (deficit)	(1915.12)	(30.23)	(1872.08)	(33.61)
Net liability recognised in the Balance Sheet accounted as below:	**(1915.12)**	**(30.23)**	**(1872.08)**	**(33.61)**
- Other non-current liabilities (Refer Note 20(b))	(1637.32)	-	(1715.61)	-
- Other current liabilities (Refer Note 23(d))	(277.80)	-	(156.47)	-
- Provisions non-current (Refer Note 19(A)(ii))	-	(24.79)	-	(28.26)
- Provisions current (Refer Note 19(B)(a)(ii))	-	(5.44)	-	(5.35)

Note 34 : Employee benefits ... Contd.

₹ lakhs

	Particulars	As at 31 March, 2021 Gratuity	As at 31 March, 2021 Terminal Ex-gratia	As at 31 March, 2020 Gratuity	As at 31 March, 2020 Terminal Ex-gratia
(c)	**Present value of defined benefit obligation:**				
	Present value of defined benefit obligation at beginning of the year	2009.78	33.61	1888.52	34.37
	Current service cost	120.14	1.28	114.26	1.40
	Interest on defined benefit obligation	136.57	2.28	145.73	2.65
	Remeasurements due to:				
	Actuarial loss/(gain) arising from change in demographic assumptions	-	-	0.03	(0.03)
	Actuarial loss/(gain) arising from change in financial assumptions	-	-	139.64	1.48
	Actuarial loss/(gain) arising on account of experience changes	(136.97)	0.46	(86.54)	0.64
	Past service cost	-	-	-	-
	Benefits paid	(183.85)	(7.40)	(191.86)	(6.90)
	Present value of defined benefit obligation at the end of the year	**1945.67**	**30.23**	**2009.78**	**33.61**
(d)	**Fair value of plan assets:**				
	Opening fair value of plan assets	137.70	-	226.01	-
	Employer contributions	76.51	-	94.42	-
	Interest on plan assets	9.36	-	17.44	-
	Actual return on plan assets	(9.17)	-	(8.31)	-
	Benefits paid	(183.85)	-	(191.86)	-
	Closing fair value of plan assets	**30.55**	**-**	**137.70**	**-**
(e)	**Movement of net liability recognised in the Balance Sheet:**				
	Opening net defined benefit liability/(asset)	1872.08	33.61	1662.52	34.37
	Expense charged to Statement of Profit and Loss	247.35	3.56	242.54	4.05
	Amount recognised in other comprehensive income	(127.80)	0.46	61.44	2.09
	Employer contributions	(76.51)	(7.40)	(94.42)	(6.90)
	Closing net defined benefit liability/(asset)	**1915.12**	**30.23**	**1872.08**	**33.61**

(f) The major categories of plan assets as a percentage of the fair value of total plan assets:

Particulars	As at 31 March, 2021 Gratuity	As at 31 March, 2021 Terminal Ex-gratia	As at 31 March, 2020 Gratuity	As at 31 March, 2020 Terminal Ex-gratia
Insurer managed funds	100%	-	100%	-

The plan does not invest directly in any property occupied by the Company nor in any financial securities issued by the Company.

(g) The principal assumptions used in determining defined benefits obligations:

Particulars	As at 31 March, 2021 Gratuity	As at 31 March, 2021 Terminal Ex-gratia	As at 31 March, 2020 Gratuity	As at 31 March, 2020 Terminal Ex-gratia
(i) Financial assumptions:				
Discount rate	6.80%	6.80%	6.80%	6.80%
Salary escalation	7.00%		7.00%	

Note 34 : Employee benefits ... Contd.

₹ lakhs

Note	Particulars	As at 31 March, 2021 Gratuity	As at 31 March, 2021 Terminal Ex-gratia	As at 31 March, 2020 Gratuity	As at 31 March, 2020 Terminal Ex-gratia
	(ii) Demographic assumptions:				
	Retirement age:				
	For Mumbra employees	60 years		60 years	
	For Faridabad and Lonand employees	58 years		58 years	
	Attrition rate:				
	Age Banks - 21 - 44	2.00%		2.00%	
	Age Banks - 44 & above	1.00%		1.00%	
	Mortality tables	Indian Assured Lives Mortality (2012-14) Ult table		Indian Assured Lives Mortality (2012-14) Ult table	

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(h) Sensitivity analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Year ended 31 March, 2021 Gratuity	Year ended 31 March, 2021 Terminal Ex-gratia	Year ended 31 March, 2020 Gratuity	Year ended 31 March, 2020 Terminal Ex-gratia
Discount rate				
Impact of increase in 50 bps on defined benefits obligations	-4.04%	-2.42%	-4.00%	-2.51%
Impact of decrease in 50 bps on defined benefits obligations	4.39%	2.56%	4.34%	2.64%
Salary escalation				
Impact of increase in 50 bps on defined benefits obligations	4.28%	-	4.22%	-
Impact of decrease in 50 bps on defined benefits obligations	-3.98%	-	-3.95%	-

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(i) Funding arragements & policy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is ₹ 277.80 lakhs.

Note 34 : Employee benefits ... Contd.

₹ lakhs

Note	Particulars	As at 31 March, 2021		As at 31 March, 2020	
		Gratuity	Terminal Ex-gratia	Gratuity	Terminal Ex-gratia
(j)	**Maturity profile**				
	Expected benefits for year 1	308.35	5.44	294.17	5.35
	Expected benefits for year 2	146.26	4.30	146.99	4.48
	Expected benefits for year 3	200.81	4.46	156.08	4.42
	Expected benefits for year 4	213.97	4.95	220.07	5.06
	Expected benefits for year 5	184.70	4.00	241.07	5.47
	Expected benefits for year 6	213.35	4.62	210.12	4.37
	Expected benefits for year 7	118.56	2.03	228.36	4.73
	Expected benefits for year 8	183.42	3.25	124.23	2.05
	Expected benefits for year 9	167.88	2.54	182.55	3.09
	Expected benefits for year 10 and above	2476.75	10.64	2469.46	12.63
	The weighted average duration to the payment (years)	8.45	4.75	8.35	4.96

Note 35 : Related party transactions

Note	Particulars

(A) As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

Description of relationship		Names of related parties
Key Management Personnel (KMP)	(i)	Mr. Surinder Paul Kanwar - Chairman and Managing Director (who also has ability to exercise 'significant influence' over the Company)
	(ii)	Mr. Sameer Kanwar – Joint Managing Director (Son of Chairman and Managing Director of the Company)
	(iii)	Mr. Rakesh Chopra - Non Executive Independent Director
	(iv)	Mr. Virendra Kumar Pargal - Non Executive Independent Director
	(v)	Mr. Wolfgang Rudolf Schilha - Non Executive Independent Director
	(vi)	Mrs. Hiroo Suresh Advani - Non Executive Independent Director
	(vii)	Mr. N.V. Srinivasan - Non Executive Director
Enterprises over which KMP is able to exercise significant influence	(i)	Cliplok Simpak (India) Private Limited (CSIPL)
	(ii)	Raunaq EPC International Limited (REIL)
	(iii)	Vibrant Reality Infra Private Limited (VRIPL) formerly known as Vibrant Finance & Investment Private Limited (VFIPL)
	(iv)	Xlerate Driveline India Limited (XDIL)

Note: Related parties have been identified by the Management.

Note 35 : Related party transactions ... Contd.

Note	Particulars

(B) Details of related party transactions during the year ended 31 March, 2021:

(i) Key Management Personnel (KMP):

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Mr. Surinder Paul Kanwar		
- Compensation - Short term employee benefits	123.88	262.87
- Rent paid for premises taken on lease	60.00	60.00
- Reimbursement of maintenance charges paid for premises taken on lease	2.75	4.21
- Unsecured loan - availed by the Company	200.00	-
- Equity allotment - Rights issue of equity shares	-	775.58
(b) Mr. Sameer Kanwar		
- Compensation - Short term employee benefits	124.38	173.35
- Rent paid for premises taken on lease	36.00	35.33
- Reimbursement of maintenance charges paid for premises taken on lease	5.05	0.85
(c) Mr. N.V. Srinivasan		
- Fees for technical advisory services	16.84	23.04
- Director's sitting fees	1.20	1.30
(d) Mr. Rakesh Chopra		
- Director's sitting fees	2.50	3.00
(e) Mr. Virendra Kumar Pargal		
- Director's sitting fees	2.20	2.30
(f) Mr. Wolfgang Rudolf Schilha		
- Director's sitting fees	1.00	0.60
(h) Mrs. Hiroo Suresh Advani		
- Director's sitting fees	2.00	2.60

(ii) Enterprises over which KMP is able to exercise significant influence:

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(a) Cliplok Simpak (India) Private Limited		
- Purchase of packing material	20.09	12.19
- Rent income	0.64	0.62
(b) Vibrant Reality Infra Private Limited		
- Rent and other expenses	14.48	18.55
(c) Raunaq EPC International Limited		
- Rent income	4.32	7.24
(d) Xlerate Driveline India Limited		
- Marketing service income	92.87	154.32
- Rent expense	11.75	11.75
- Rent income	3.62	0.69
- Recovery of business promotion expenses	4.61	10.35
- Purchase of material	26.88	-

Note 35 : Related party transactions ... Contd.

Note	Particulars

(C) Outstanding balances (excluding Ind AS fair value adjustments):

(i) Key Management Personnel (KMP):

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Mr. Surinder Paul Kanwar		
Receivable	50.00	50.00
Payable	201.40	11.68
(b) Mr. Sameer Kanwar		
Receivable	10.00	10.00
Payable	0.01	5.81
(c) Mr. N.V. Srinivasan		
Payable	1.40	1.34
(d) Mr. Virendra Kumar Pargal		
Payable	-	0.09
(e) Mr. Rakesh Chopra		
Payable	0.19	0.18

(ii) Enterprises over which KMP is able to exercise significant influence:

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Vibrant Reality Infra Private Limited		
Receivable	5.00	5.00
(b) Cliplok Simpak (India) Private Limited		
Receivable	-	0.19
(c) Raunaq EPC International Limited		
Receivable	24.24	19.47
(d) Xlerate Driveline India Limited		
Receivable	30.53	85.86
Payable	-	2.12

(D) Notes:

(i) Key Management Personnel compensation does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

(ii) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for receivables, payables are unsecured, interest free and settlement occurs in cash excluding Ind AS fair value adjustments, if any. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended 31 March, 2021 (31 March, 2020: ₹ Nil). The assessment is undertaken at each financial year through evaluating the financial position of the related party and the market in which the related party operates.

(iii) Guarantee of ₹ 8867.50 lakhs, which is outstanding as on date has been provided by one of the Director against term loan from others (Refer Footnote (iii) of Note 16).

Note 36 : Earnings per share

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Basic and diluted:		
Net profit/(loss) after tax for the year attributable to the equity shareholders	(770.06)	(1877.78)
Weighted average number of equity shares (Nos.)	9306095	9211865
Face value per share (In ₹)	10.00	10.00
Earnings per share - Basic and diluted (In ₹)	(8.27)	(20.38)

Note 37(A) : Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Contract Balances:		
Contract assets balance at the beginning of the year	280.40	592.33
Revenue recognised during the year	979.76	1903.39
Invoices raised during the year	511.12	2084.39
Created/(consumed) during the year	(186.79)	(130.93)
Contract assets balance at the end of the year (Refer Note 7(B)(c) and Note 8(c))	**562.25**	**280.40**

₹ lakhs

Provision for warranties	As at 31 March, 2021	As at 31 March, 2020
Contract liabilities balance at the beginning of the year	308.67	866.02
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	84.39	-
Billed in advance in terms of contract	-	84.37
Advance received during the year	326.27	312.26
Adjusted against invoices during the year	191.63	953.98
Contract liabilities balance at the end of the year (Refer Note 20(a) and Note 23(b))	**358.92**	**308.67**

Note 37(B) : Disclosures in pursuance of the Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":

₹ lakhs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	20.63	10.10
Additional provision	4.16	14.02
Amount utilized	-	-
Unutilized amount reversed	10.88	3.49
Closing balance (Refer Note 19(B)(b))	**13.91**	**20.63**

Provision for warranty is made for the estimated amount of expenditure, which may be incurred during the warranty period of twelve months after successful commissioning of the furnace.

Note 38 : Segment information

Particulars

(a) The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Chairman and Managing Director for the purpose of resource allocation and assessing performance focuses on the business as a whole. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

(b) Disaggregation of revenue by geography:

The revenue of the Company from the external customers are attributed to (i) the Company's country of domicile i.e. India and (ii) all foreign countries in total from which the Company derives revenue. Details are as follows:

(i) Revenue from contracts with customers:

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
India	33556.75	29788.46
Outside India:		
USA	7977.38	9334.88
Mexico	1608.09	1405.06
Spain	3272.86	1689.17
Other countries	2688.78	2956.06
Total	**49103.86**	**45173.63**

(ii) Other operating revenue:

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
India	1198.93	1138.35
Total	**1198.93**	**1138.35**

(c) All the non-current assets of the Company are located in India.

(d) Information about major customers having revenue amounting to 10% or more of the Company's revenue from contracts with customers

₹ lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Customer A	15117.81	12079.58

No other customer individually contributed 10% or more to the Company's revenue from contracts with customers for the current year ended 31 March, 2021 and previous year ended 31 March, 2020.

Note 39 : Financial Instruments

Particulars

I. Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company.

₹ lakhs

		31 March, 2021	31 March, 2020
Short term borrowing and current portion of long term borrowing		4473.17	6535.99
Long term borrowing		6662.39	8230.59
Total borrowing		11135.56	14766.58
Less:- Cash and cash equivalents including other bank balances		564.19	714.15
Net debt	A	10571.37	14052.43
Total shareholders' equity as reported in Balance Sheet	B	7381.28	7957.41
Total capital and debt	**(A+B)**	**17952.65**	**22009.84**

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies and processes for managing capital during the year(s) ended 31 March, 2021 and 31 March, 2020.

II. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and wherever required a detailed financial analysis. Outstanding customer receivables are regularly monitored. As at 31 March, 2021, the Company had 5 customers (As at 31 March, 2020: 4 customers) that owed the Company more than ₹ 500 lakhs each and accounted for approximately 48.64% of all the receivables outstanding (As at 31 March, 2020: 46.19%).

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. The credit risk is limited because counter parties are banks/institutions with high credit ratings.

Note 39 : Financial Instruments ... Contd.

Particulars

(B) Liquidity risk

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities/borrowings and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows.

₹ lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March, 2021						
Fixed interest rate instruments	-	129.77	173.84	-	303.61	303.61
Variable interest rate instruments	5010.57	4975.00	1126.50	500.00	11612.07	11541.66
Lease liabilities	244.56	276.01	132.84	338.84	992.25	674.13
Non-interest bearing	15325.54	-	-	200.00	15525.54	15426.87
Total	**20580.67**	**5380.78**	**1433.18**	**1038.84**	**28433.47**	**27946.27**
31 March, 2020						
Fixed interest rate instruments	-	-	129.77	-	129.77	129.77
Variable interest rate instruments	6854.93	5032.00	2269.00	1000.00	15155.93	15048.07
Lease liabilities	178.15	248.38	38.85	15.69	481.07	394.69
Non-interest bearing	10911.35	-	-	-	10911.35	10911.35
Total	**17944.43**	**5280.38**	**2437.62**	**1015.69**	**26678.12**	**26483.88**

Interest rate sensitivity:

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating variable rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Company's loss for the year ended 31 March, 2021 would increase/decrease by ₹ 113.48 lakhs (loss for the year ended 31 March, 2020: decrease/increase by ₹ 148.97 lakhs). This is mainly attributable to the Company's exposure to interest rate on its variable rate borrowings.

The amounts included above for variable interest rate instruments for both non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Note 39 : Financial Instruments ... Contd.

Particulars

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

₹ lakhs

	As at 31 March, 2021	As at 31 March, 2020
From banks:		
Fund based:		
Cash credit/packing credit	1762.86	1832.61
- Expiring within one year	1762.86	1832.61
- Expiring beyond one year	-	-
Term loan (Emergency Credit Line Guarantee Scheme)	519.00	-
- Expiring within one year	519.00	-
- Expiring beyond one year	-	-
Sales invoice financing	-	1458.05
- Expiring within one year	-	1458.05
- Expiring beyond one year	-	-
Non-fund based - letter of credit/bank guarantees	316.18	818.00
- Expiring within one year	316.18	818.00
- Expiring beyond one year	-	-
From others:		
Term loan (Emergency Credit Line Guarantee Scheme)	2100.00	-
- Expiring within one year	2100.00	-
- Expiring beyond one year	-	-
Factoring facilities	-	421.70
- Expiring within one year	-	421.70
- Expiring beyond one year	-	-

(C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by effective monitoring movement in foreign currency rates and seeks to minimize the effect of currency risk by using non derivative financing instrument to hedge risk exposures.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	In foreign currency		₹ lakhs	
		As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Receivable	USD	55,29,047.35	29,47,468.89	4042.01	2230.05
	EURO	12,84,414.77	9,86,036.70	1101.17	808.73
	JPY	16,15,000.00	-	10.67	-
Payables	USD	1,87,093.34	1,00,278.17	136.79	75.88

Note 39 : Financial Instruments ... Contd.

Particulars

Foreign currency sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of the monetary assets and liabilities including currency derivatives.

₹ lakhs

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2021	For the year ended 31 March, 2020
USD	+ 5%	195.26	107.71	146.12	80.60
	- 5%	(195.26)	(107.71)	(146.12)	(80.60)
EURO	+ 5%	55.06	40.44	41.20	30.26
	- 5%	(55.06)	(40.44)	(41.20)	(30.26)
JPY	+ 5%	0.53	-	0.40	-
	- 5%	(0.53)	-	(0.40)	-

(ii) Interest rate risk

Refer comment given above in maturities of financial liabilities under liquidity risk.

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price, the same is passed on to customers through appropriate adjustment to selling prices.

Note 40 : Fair value

Particulars

A. Fair value measurement:

All the financial assets and financial liabilities of the Company are carried at amortised cost.

The management assessed that the fair value of financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets (except security deposits and loans and advances to employees), trade payables and other current financial liabilities (except current maturities of long term debts) approximate their carrying value largely due to the short-term maturities of these instruments.

B. Fair value hierarchy:

Quantitative disclosure fair value measurement hierarchy:

₹ lakhs

Particulars	As at 31 March, 2021		As at 31 March, 2020		Fair value hierarchy
	Carrying value	Fair value	Carrying value	Fair value	
Assets for which fair values are disclosed:					
Loans and advances to employees	247.37	247.37	225.38	225.38	Level 2
Security deposits	254.81	254.81	259.54	259.54	Level 2
Liabilities for which fair values are disclosed:					
Borrowings	8898.42	8898.42	10542.20	10542.20	Level 2
Other non-current financial liabilities	303.61	303.61	129.77	129.77	Level 2

Fair value of loans and advances to employees, security deposits and borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and maturities.

Note 41 : Corporate social responsibilty

Particulars

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013, on Corporate Social Responsibility (CSR) with effect from 01 April, 2014. As per the provisions of the said Section, the aggregate amount of ₹ 25.86 lakhs was required to be spent on CSR activities by the Company (for the year ended 31 March, 2021 - ₹ 2.75 lakhs, for the year ended 31 March, 2020 - ₹ 17.97 lakhs and for the year ended 31 March, 2019 - ₹ 5.14 lakhs). During the year, the Company has incurred an amount of ₹ 24.23 lakhs (for the year ended 31 March, 2020 : ₹ 3.60 lakhs) on CSR activities (Refer Footnote (ii) of Note 30). Further, ₹ 3.60 lakhs incurred for the year ended 31 March 2020 have been paid in cash during the year. On an aggregate the Company has spent ₹ 27.83 lakhs (for the year ended 31 March, 2020 : ₹ 3.60 lakhs) on CSR activities.

₹ lakhs

Particulars		For the year ended 31 March, 2021			For the year ended 31 March, 2020		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above	24.23	-	24.23	-	3.60*	3.60

* Paid in cash during the current year

Note 42 : Acquisition of land by Government authorities

Particulars

Thane Municipal Corporation (TMC) is in the process of acquiring certain portion of Company's land at Mumbra plant for proposed road widening project(s). The exact area of such acquisition shall be determined after actual survey of land; which is still pending. The said acquisition does not impact the operations of the Company adversely. Meanwhile, the Company has taken up the matter with TMC for suitable compensation in lieu of such acquisition. The impacted land has been classified as non-current asset held for sale.

The Company has also lodged a compensation claim for cost relating to shifting/re-locating/reconstruction of the facilities/structures/utilities, set up on that land. The aforesaid compensation claims are yet to be finalized by the Government Authorities. Pending finalisation of the compensation claim, the Company has not recognized the same in the financial statements. However, the Company has written off the related assets/utilities impacted by the aforesaid acquisition in the Statement of Profit and Loss for the year ended 31 March, 2019.

Note 43 : Estimation of uncertainties relating to the global health pandemic from COVID-19

Particulars

The Company's operations have been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption to the production due to the nationwide lockdown in the initial part of this year. The Company has incurred loss before tax during the current year amounting to ₹ 964.83 lakhs, primarily owing to lower volumes in the initial months of the year due to COVID-19 pandemic, finance costs and depreciation.

The Company has been sanctioned additional facility under 'Emergency Credit Line Guarantee Scheme (ECLGS)' by the lenders and the management has adopted several cost reduction measures to maintain sufficient operational cashflows to ensure uninterrupted fulfilment of its orders from customers.

Based on management's assessment of market conditions supported by revival of demand by the OEMs, steady growth in revenue and in light of the additional facility being sanctioned, the management is confident of recovering the carrying value of its assets as at 31 March, 2021 and meeting its liabilities as they fall due. The carrying value of current and non-current assets are based on the internal and external sources of information indicators of economic forecasts existing as at the date of approval of these financial statements.

Note 43 : Estimation of uncertainties relating to the global health pandemic from COVID-19 ... Contd.

Particulars
The estimates used for assessing the carrying value of assets and liabilities at 31 March, 2021 during the COVID-19 pandemic may undergo a change as these are dependent on the continuing impact of the pandemic on the economy and automotive sector and the Company will continue to monitor and address any material changes and its consequent impact on its business, if any.

Note 44 : The Code on Social Security

Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September, 2020. However, the date from when the Code will become applicable and the Rules have not yet been notified. The Company will assess the impact of the Code and account for the same once the effective date and the rules are notified.

Note 45 : Previous year's figures

Particulars
Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

For and on behalf of the Board of Directors of Bharat Gears Limited

per Aruna Kumaraswamy
Partner
Membership No: 219350

Surinder Paul Kanwar
Chairman and Managing Director
(DIN : 00033524)

Sameer Kanwar
Joint Managing Director
(DIN : 00033622)

V.K. Pargal (DIN : 00076639)
W.R. Schilha (DIN : 00374415)
Rakesh Chopra (DIN : 00032818)
N.V. Srinivasan (DIN : 00879414)
Hiroo Suresh Advani (DIN : 00265233)
Directors

Milind Pujari
Chief Financial Officer
(PAN : AAAPP3554C)

Prashant Khattry
Head (Legal) and Company Secretary
(PAN : AOQPK8734B)

Date: 11 June, 2021

Notes

Geared for Life

Form No. SH-13
Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,
Bharat Gears Limited
20 K.M. Mathura Road, P.O. Box 328,
P.O. Amar Nagar, Faridabad- 121 003
Haryana

I/We____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive Nos.

(2) PARTICULARS OF NOMINEE/S

(a) Name:
(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:
(d) Occupation:
(e) Nationality:
(f) Address:
(g) E-mail id:
(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

(a) Date of birth:
(b) Date of attaining majority:
(c) Name of guardian:
(d) Address of guardian:

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

(a) Name:
(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:
(d) Occupation:
(e) Nationality:
(f) Address:
(g) E-mail id:
(h) Relationship with the security holder:
(i) Relationship with the minor nominee:

Name:
Address:

Name of the Security Holder(s) Signature
Witness with name and address Signature

Geared for Life

Form No. SH-14
Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

To,
Bharat Gears Limited
20 K.M. Mathura Road, P.O. Box 328,
P.O. Amar Nagar, Faridabad- 121 003
Haryana

I/We hereby cancel the nomination(s) made by me/us in favor of____ ______________ (name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of ____ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled /varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive Nos.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

i. Name:
ii. Date of Birth:
iii. Father's/Mother's/Spouse's name:
iv. Nationality:
v. Address:
vi. E-mail id:
vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR

i. Date of birth:
ii. Date of attaining majority:
iii. Name of guardian:
iv. Address of guardian:

(3) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

(a) Name:
(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:
(d) Occupation:
(e) Nationality:
(f) Address:
(g) E-mail id:
(h) Relationship with the security holder:
(i) Relationship with the minor nominee:

Signature

Name of the Security Holder(s)

Witness with name and address

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PROFORMA FOR UPDATION OF SHAREHOLDER'S INFORMATION

Folio No. ☐☐☐☐☐☐ No. of Equity Shares ☐☐☐☐☐☐☐

Specimen Signature
(As per application/transfer deed)

Name(s):

First Holder ________________

Occupation

Jt. Holder 1 ________________

Jt. Holder 2 ________________

Address

(In case of Joint Holding, all the Joint Holders to sign)

Pin Code

E-mail Id ________________

Cert. Nos. FROM ☐☐☐☐☐☐ TO ☐☐☐☐☐☐

Dist. Nos. FROM ☐☐☐☐☐☐☐ TO ☐☐☐☐☐☐☐

NOTES :
1. IN CASE THE SPACE IS NOT SUFFICIENT PLEASE ATTACH A SEPARATE SHEET.
2. THE ABOVE PROFORMA MAY BE FILLED AND RETURNED EVEN IF THERE IS NO CHANGE IN THE PARTICULARS.

Geared for Life

ELECTRONIC CLEARING SERVICES(ECS) MANDATE FORM

To
Link Intime India Private Limited
(Unit : Bharat Gears Limited)
Noble Heights, 1st Floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market,
Janakpuri,
New Delhi - 110058

Name of the First/Sole Share holder	
Folio No./DP Id - Client Id	

PAN/E-mail information

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
E-mail ID	

ECS Mandate Form (for shares held in physical mode)

Bank Name									
Branch Name & Address									
Bank Account Type (tick)	Savings		Current		Others				
Bank Account Number									
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of the cheque)									

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Bharat Gears Limited, will not be held responsible.

I further undertake to inform the company any change in my Bank/Branch and account number, if any.

Signature of First / Sole Holder

Place :
Date :

Notes

Notes

BHARAT GEARS LIMITED

Geared for Life

REGISTERED OFFICE

20 K.M. Mathura Road, P.O. Amar Nagar,

Faridabad-121 003, Haryana

CIN: L29130HR1971PLC034365

www.bharatgears.com

Concept, Content & Design WYATT Prism COMMUNICATIONS (info@wyatt.co.in)