

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF BHARAT GEARS LIMITED

1. We have audited the accompanying Statement of Financial Results of **BHARAT GEARS LIMITED** ("the Company") for the year ended 31 March, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31 March, 2016.

Deloitte Haskins & Sells

4. The Statement includes the results for the Quarter ended 31 March, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

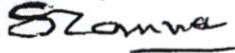
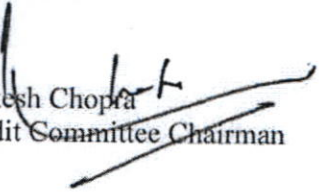


Saira Nainar
Partner
(Membership No.040081)

Mumbai, 24 May, 2016



FORM A
(for audit report with unmodified opinion)

1.	Name of the Company:	Bharat Gears Limited
2.	Annual financial statements for the year ended	31 March, 2016
3.	Type of Audit observation	Unmodified
4.	Frequency of observation	Not Applicable
5.	To be signed by-  Surinder P. Kanwar Chairman and Managing Director  Milind Pujari Chief Financial Officer  Rakesh Chopra Audit Committee Chairman Auditor of the Company Refer our Audit Report dated 24 May, 2016 on the Financial Statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm's Registration No. 117365W)  Saira Nainar (Partner) (Membership No. 040081) Mumbai, 24 May, 2016	



BHARAT GEARS LIMITED Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana)						
Part I STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016						
(₹ in lacs)						
	Particulars	Quarter ended			Current Year ended	Previous Year ended
		31.03.2016 (Audited) Refer note 7	31.12.2015 (Unaudited)	31.03.2015 (Audited) Refer note 7	31.03.2016 (Audited)	31.03.2015
1	Income from operations					
	(a) Net sales/income from operations (net of excise duty)	9,706	8,820	11,150	38,685	40,779
	(b) Other operating income (Refer Note 3)	253	213	187	1,063	710
	Total income from operations (net)	9,959	9,033	11,337	39,748	41,489
2	Expenses					
	(a) Cost of materials consumed	4,317	4,198	5,316	17,918	20,228
	(b) Changes in inventories of finished goods and work-in-progress	406	(132)	194	716	(562)
	(c) Employee benefits expense (Refer Note 4)	1,750	1,844	1,960	7,458	7,780
	(d) Power and fuel	661	658	835	2,885	3,689
	(e) Depreciation and amortisation expense (Refer Note 5)	408	413	209	1,650	1,395
	(f) Other expenses	1,909	1,929	2,308	7,707	8,176
	Total expenses	9,451	8,910	10,822	38,334	40,706
3	Profit from operations before other income, finance costs and exceptional items (1-2)	508	123	515	1,414	783
4	Other income (Refer Note 6)	59	25	31	254	209
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	567	148	546	1,668	992
6	Finance costs	389	377	444	1,616	1,635
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	178	(229)	102	52	(643)
8	Exceptional items	-	-	-	-	-
9	Profit/(loss) from ordinary activities before tax (7-8)	178	(229)	102	52	(643)
10	Tax expense (net)	71	(77)	(216)	28	(222)
11	Net profit/(loss) from ordinary activities after tax (9-10)	107	(152)	318	24	(421)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit/(loss) (11-12)	107	(152)	318	24	(421)
14	Paid-up equity share capital (Face value ₹ 10/- per share)	782	782	782	782	782
15	Reserves excluding revaluation reserves				5,862	5,838
16.i	Earnings per share (before extraordinary items) [of ₹ 10/- each (* not annualised)] Basic and diluted (₹)	* 1.37	* (1.94)	* 4.07	0.31	(5.38)
16.ii	Earnings per share (after extraordinary items) [of ₹ 10/- each (* not annualised)] Basic and diluted (₹)	* 1.37	* (1.94)	* 4.07	0.31	(5.38)

Notes:

1. The above financial results as reviewed and recommended by the Audit Committee held on May 23, 2016 and have been approved by the Board of Directors at its meeting held on May 24, 2016.
2. The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. Risks and rewards involved in sales to overseas customers are not significantly different from those attributable to domestic market. As such there is no other separate reportable segment as defined by Accounting Standard – 17 "Segment Reporting".

3. Other operating income includes:

(₹ in lacs)

Particulars	Quarter ended			Current	Previous
	31.03.2016	31.12.2015	31.03.2015	Year ended	Year ended
	(Audited)	(Unaudited)	(Audited)	31.03.2016	31.03.2015
	Refer note 7		Refer note 7	(Audited)	
Export Incentives	186	117	80	717	263

4. Employee benefits expense includes:

(₹ in lacs)

Particulars	Quarter ended			Current	Previous
	31.03.2016	31.12.2015	31.03.2015	Year ended	Year ended
	(Audited)	(Unaudited)	(Audited)	31.03.2016	31.03.2015
	Refer note 7		Refer note 7	(Audited)	
Voluntary retirement scheme expense	3	9	-	80	204

5. The depreciation and amortisation expense for the quarter and year ended March 31, 2015 was lower by ₹ 189 lacs in view of accounting for change in the method of depreciation from written down value method to straight line method for certain assets effective April 01, 2014.

6. Other income includes:

(₹ in lacs)

Particulars	Quarter ended			Current	Previous
	31.03.2016	31.12.2015	31.03.2015	Year ended	Year ended
	(Audited)	(Unaudited)	(Audited)	31.03.2016	31.03.2015
	Refer note 7		Refer note 7	(Audited)	
Net exchange gain/(loss)	15	12	(20)	161	110

82

7. Figures of the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial year, which were subjected to limited review.

8. Statement of Assets and Liabilities:

(₹ in lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	782	782
	(b) Reserves and surplus	6,310	6,286
	Sub-total - Shareholders' funds	7,092	7,068
2	Non-current liabilities		
	(a) Long-term borrowings	5,143	4,888
	(b) Other long-term liabilities	1,060	1,234
	(c) Long-term provisions	448	456
	Sub-total - Non-current liabilities	6,651	6,578
3	Current liabilities		
	(a) Short-term borrowings	2,578	3,349
	(b) Trade payables	7,552	9,575
	(c) Other current liabilities	2,835	2,834
	(d) Short-term provisions	112	130
	Sub-total - Current liabilities	13,077	15,888
	TOTAL - EQUITY AND LIABILITIES	26,820	29,534
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	11,843	13,046
	(b) Deferred tax assets (net)	41	56
	(c) Long-term loans and advances	769	804
	(d) Other non-current assets	51	47
	Sub-total - Non-current assets	12,704	13,953
2	Current assets		
	(a) Inventories	5,734	6,491
	(b) Trade receivables	6,290	7,164
	(c) Cash and cash equivalents	583	553
	(d) Short-term loans and advances	908	1,133
	(e) Other current assets	601	240
	Sub-total - Current assets	14,116	15,581
	TOTAL - ASSETS	26,820	29,534

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

For and on behalf of the Board of Directors



Place: Mumbai
Date: May 24, 2016

SURINDER P. KANWAR
Chairman & Managing Director