S R B C & CO LLP
Chartered Accountants

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Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Bharat Gears Limited

1. We have audited the accompanying statement of quarterly financial results of Bharat Gears Limited ('the Company') for the quarter and year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The financial results for the quarter and year ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:
   i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
   ii. give a true and fair view of the net profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2018,

4. The comparative financial information of the Company for the corresponding quarter and year ended March 31, 2017 included in these Ind AS financial results, are based on the previously issued financial results prepared in accordance with the recognition and measurement principles of the Accounting Standards, specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the corresponding quarter and the year ended March 31, 2017 dated May 23, 2017 expressed an unmodified opinion on those financial results, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, as required under the Regulation and the Circular.

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

Per Pramod Kumar Bapna
Partner
Membership No.: 105497

Place: Mumbai
Date: May 30, 2018

S R B C & CO LLP
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CHARTERED ACCOUNTANTS

BHARAT GEARS LIMITED
CIN: L29130HR1971PLC034365
Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121003 (Haryana)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2018

(₹ in lacs)

	Particulars	Quarter ended			Current Year ended	Previous Year ended
		31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
		(Audited) Refer Note 8	(Unaudited)	(Audited) Refer Note 8	**(Audited)**	(Audited)
1	Revenue from operations (Refer Note 6)	**14,489**	12,950	11,400	**51,384**	43,437
2	Other income	**91**	18	(10)	**158**	114
3	Total income (1+2)	**14,580**	12,968	11,390	**51,542**	43,551
4	Expenses					
	(a) Cost of materials and components consumed	**6,995**	6,218	4,641	**24,348**	18,974
	(b) Changes in inventories of finished goods and work-in-progress	**(204)**	(444)	289	**(744)**	(387)
	(c) Employee benefits expense (Refer Note 5)	**2,385**	2,163	1,629	**8,727**	7,717
	(d) Finance costs	**449**	406	361	**1,684**	1,481
	(e) Depreciation and amortisation expense	**475**	476	428	**1,828**	1,669
	(f) Other expenses (Refer Note 6)	**4,019**	3,763	3,770	**14,775**	14,325
	Total expenses	**14,119**	12,582	11,118	**50,618**	43,779
5	Profit/(loss) before tax (3-4)	**461**	386	272	**924**	(228)
6	Tax expense					
	1. Current tax	**213**	182	(13)	**425**	-
	2. Deferred tax	**(50)**	(77)	81	**(131)**	(82)
7	Net profit/(loss) for the period (5-6)	**298**	281	204	**630**	(146)
8	Other comprehensive income/(loss)					
	(i) Items that will not be reclassified to profit or loss	**13**	(3)	9	**4**	34
	(ii) Income tax relating to items that will not be reclassified to profit or loss	**(4)**	1	(3)	**(1)**	(11)
9	Total comprehensive income for the period (7+8)	**307**	279	210	**633**	(123)
10	Earnings per share [face value of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)	*** 3.66**	* 3.50	* 2.61	**7.93**	(1.87)

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Notes:

1. The above financial results was reviewed and recommended by the Audit Committee in its meeting held on 29 May, 2018 and have been approved by the Board of Directors at its meeting held on 30 May, 2018.

2. The Company has adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the same as required under section 133 of the Companies Act, 2013 of the Companies Act, 2013 read with rules made there under. The date of transition to Ind AS is 01 April, 2016. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been reinstated accordingly.

3. Reconciliation of net profit/(loss) as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and year ended 31 March, 2017:

(₹ in lacs)

Sr. No.	Particulars	Quarter ended 31 March, 2017 Audited (Refer Note 2)	Previous year ended 31 March, 2017 Audited (Refer Note 2)
	Net profit/(loss) for the quarter and year ended under previous Indian GAAP	210	(126)
(a)	Interest income on account of fair valuation	4	18
(b)	Actuarial gain on employees defined benefits plans recognised	(9)	(34)
(c)	Others (net)	(4)	(16)
(d)	Impact of deferred tax on all above adjustments	3	12
	Net profit/(loss) for the quarter and year ended under Ind AS	204	(146)
(e)	Other comprehensive income (net of tax)	6	23
	Total comprehensive profit/(loss) for the quarter and year ended	210	(123)

4. The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. As such there is no other separate reportable segment as defined by Ind AS 108 - "Operating Segments".

5. Employee benefits expense includes:

(₹ in lacs)

Particulars	Quarter ended			Current Year ended	Previous Year ended
	31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
	(Audited) Refer Note 8	(Unaudited)	(Audited) Refer Note 8	**(Audited)**	(Audited)
Voluntary retirement scheme expense	**18**	44	-	**116**	214

6. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July, 2017, Central Excise, Value Added Tax (VAT), etc. have been subsumed into GST. As per Ind AS 18, revenue from operations for the quarter ended 31 March, 2018 and 31 December, 2017 is reported net of GST. However, revenue from operations for the quarter ended 31 March, 2017 and year ended 31 March, 2018 and 31 March, 2017 is reported inclusive of excise duty with corresponding excise duty expense included in other expenses as under:

Particulars	Quarter ended			Current Year ended	Previous Year ended
	31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
	(Audited) Refer Note 8	(Unaudited)	(Audited) Refer Note 8	**(Audited)**	(Audited)
Excise Duty included in revenue from operations and other expenses	**-**	-	667	**645**	2,759

7. In terms of shareholders approval obtained by way of a postal ballot on 21 October, 2017, the Company has, on 03 November, 2017 allotted 3,25,000 equity shares of face value ₹ 10/- each to a promoter at a price of ₹ 157.32 per share (including a premium of ₹ 147.32 per share), aggregating to ₹ 511 lacs on Preferential Allotment basis. Pursuant to this allotment, the share premium account stands increased by ₹ 469 lacs net of share issue expenses of ₹ 10 lacs.

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8. The figures of the quarters ended 31 March, 2018 and 31 March, 2017 are the balancing figures between audited figures in respect of the full financial years and the unaudited published year-to-date figures upto 31 December for respective years, which were subjected to limited review.

9. Statement of Assets and Liabilities:

(₹ in lacs)

	Particulars	As at 31.03.2018 Audited	As at 31.03.2017 Audited
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment	**11,211**	10,162
	(b) Capital work-in-progress	**236**	159
	(c) Intangible assets	**100**	117
	(d) Financial assets		
	(i) Loans	**129**	114
	(ii) Others	**158**	203
	(e) Deferred tax assets (net)	**208**	79
	(f) Other non-current assets	**451**	495
		12,493	11,329
2	**Current assets**		
	(a) Inventories	**7,702**	6,243
	(b) Financial assets		
	(i) Trade receivables	**12,818**	9,232
	(ii) Cash and cash equivalents	**25**	46
	(iii) Bank balances other than (ii) above	**509**	518
	(iv) Loans	**52**	37
	(v) Others	**357**	198
	(c) Other current assets	**2,558**	1,414
	(d) Current tax assets (net)	**59**	38
		24,080	17,726
	TOTAL	**36,573**	29,055
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	**814**	782
	(b) Other equity	**6,968**	5,866
		7,782	6,648
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	**7,868**	3,725
	(ii) Other financial liabilities	**115**	-
	(b) Provisions	**449**	435
	(c) Other non-current liabilities	**1,256**	1,187
		9,688	5,347
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	**4,983**	5,237
	(ii) Trade payables	**11,707**	8,903
	(iii) Others	**1,773**	2,429
	(b) Provisions	**91**	90
	(c) Other current liabilities	**308**	401
	(d) Current tax liabilities (net)	**241**	-
		19,103	17,060
	TOTAL	**36,573**	29,055

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10. Reconciliation of total equity as previously reported on account of transition from the previous Indian GAAP to Ind AS as on 31 March, 2017:

(₹ in lacs)

Sr. No.	Particulars	As at 31.03.2017
	Total equity as reported under previous GAAP	**6,531**
	Ind AS: Adjustments increase/(decrease)	
(a)	Effective interest rate adjustment impact on borrowings	20
(b)	Deferred tax liability impact on (a) above	(7)
(c)	Reversal of revaluation reserve pertaining to freehold land	154
(d)	Impact of Ind AS adjustment of security deposits	(2)
(e)	Impact of Ind AS adjustment on employee loans	4
(f)	Depreciation on revalued assets	(1)
(g)	Deferred tax liability on revaluation pertaining to freehold land and Building	(51)
	Total equity as reported under Ind AS	**6,648**

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

For and on behalf of the Board of Directors

SURINDER P. KANWAR
Chairman & Managing Director

Place: Mumbai
Date: 30 May, 2018

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