

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

TO THE BOARD OF DIRECTORS OF BHARAT GEARS LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended 31 March, 2024 and (b) reviewed the Financial Results for the quarter ended 31 March, 2024 (refer 'Other Matter' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended 31 March, 2024 of **BHARAT GEARS LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended 31 March, 2024:

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

(b) Conclusion on Unaudited Financial Results for the quarter ended 31 March, 2024

With respect to the Financial Results for the quarter ended 31 March, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended 31 March, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended 31 March, 2024

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued



by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended 31 March, 2024 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended 31 March, 2024 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended 31 March, 2024 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended 31 March, 2024

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended 31 March, 2024 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

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



Deloitte Haskins & Sells LLP

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

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

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

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



(b) Review of the Financial Results for the quarter ended 31 March, 2024

We conducted our review of the Financial Results for the quarter ended 31 March, 2024 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

- The Statement includes the results for the quarter ended 31 March, 2024, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sampada S Narvankar
Partner
(Membership No. 102911)
UDIN: 24102911BKEWSO5734

Mumbai, 29 May, 2024

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2024

	Particulars	Quarter ended			Current year ended	Previous year ended
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		Refer note 4	(Unaudited)	Refer note 4	(Audited)	(Audited)
1	Revenue from operations	17,077	14,278	17,949	66,305	76,636
2	Other income (Refer note 3)	48	199	47	362	876
3	Total income (1+2)	17,125	14,477	17,996	66,667	77,512
4	Expenses					
	(a) Cost of materials and components consumed	7,981	7,040	9,105	34,251	41,642
	(b) Changes in inventories of finished goods and work-in-progress	1,594	556	483	1,449	(756)
	(c) Employee benefits expense	2,709	2,743	2,769	11,405	11,576
	(d) Finance costs	436	433	456	1,749	1,708
	(e) Depreciation and amortisation expense	567	562	523	2,255	2,007
	(f) Other expenses	4,063	3,860	4,610	16,846	19,575
	Total expenses	17,350	15,194	17,946	67,955	75,752
5	(Loss)/Profit before tax (3-4)	(225)	(717)	50	(1,288)	1,760
6	Tax expense					
	(a) Current tax	-	210	(77)	-	466
	(b) Deferred tax (credit)/charge	(54)	(377)	63	(318)	(42)
	(c) Short/(Excess) provision for tax relating to prior years (net)	4	-	(20)	4	(13)
	Total tax expense	(50)	(167)	(34)	(314)	411
7	(Loss)/profit for the period (5-6)	(175)	(550)	84	(974)	1,349
8	Other comprehensive income/(loss)					
	Items that will not be reclassified to profit or loss					
	- Re-measurement (loss) on defined benefits obligations	(1)	(11)	(289)	(30)	(149)
	- Income tax effect	1	3	72	8	37
	Other comprehensive (loss) (net of tax)	-	(8)	(217)	(22)	(112)
9	Total comprehensive (loss)/income for the period (7+8)	(175)	(558)	(133)	(996)	1,237
10	Paid-up equity share capital (Face value ₹ 10/- per share)	1,536	1,536	1,536	1,536	1,536
11	Other equity				9,524	10,520
12	Earnings per share [face value of ₹ 10/- each (* not annualised)]					
	Basic and diluted (₹)	*(1.13)	*(3.59)	*0.54	(6.34)	8.78

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

Notes:

1. The above Financial Results have been reviewed and recommended by the Audit Committee at their meeting held on 28 May, 2024 and have been approved by the Board of Directors at their meeting held on 29 May, 2024.
2. The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. As such, there is no other separate reportable segment as defined by Ind AS 108 - "Operating Segments".
3. Other income includes:

Particulars	Quarter ended			(₹ in lakhs)	
	31.03.2024	31.12.2023	31.03.2023	Current year ended	Previous year ended
	(Unaudited) Refer note 4	(Unaudited)	(Unaudited) Refer note 4	31.03.2024 (Audited)	31.03.2023 (Audited)
Net exchange (loss)/gain	(2)	128	26	189	796

4. The figures of the quarter ended 31 March, 2024 and 31 March, 2023 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.



5. Statement of Assets and Liabilities:

		(₹ in lakhs)	
Particulars	As at 31.03.2024	As at 31.03.2023	
	(Audited)	(Audited)	
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	11,191	11,937	
(b) Capital work-in-progress	520	191	
(c) Intangible assets	66	77	
(d) Right-of-use assets	1,998	1,182	
(e) Financial assets			
(i) Investments	120	111	
(ii) Loans	140	160	
(iii) Others	276	220	
(f) Deferred tax assets (net)	1,079	682	
(g) Other non-current assets	466	586	
Total non-current assets	15,856	15,146	
2 Current assets			
(a) Inventories	8,202	9,997	
(b) Financial assets			
(i) Trade receivables	11,619	12,253	
(ii) Cash and cash equivalents	206	6	
(iii) Bank balances other than (ii) above	702	654	
(iv) Loans	52	51	
(v) Others	437	206	
(c) Current tax assets (net)	219	150	
(d) Other current assets	1,243	2,243	
Total current assets	22,680	25,560	
3 Non-current asset held for sale	12	12	
Total assets	38,548	40,718	
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	1,536	1,536	
(b) Other equity	9,524	10,520	
Total equity	11,060	12,056	
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	5,088	7,091	
(ii) Lease liabilities	1,678	1,023	
(iii) Other financial liabilities	-	23	
(b) Provisions	2,364	2,292	
(c) Other non-current liabilities	421	486	
Total non-current liabilities	9,551	10,915	
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4,256	3,211	
(ii) Lease liabilities	315	267	
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	1,064	146	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,066	13,063	
(iii) Other financial liabilities	201	396	
(b) Provisions	487	445	
(c) Other current liabilities	548	219	
Total current liabilities	17,937	17,747	
Total equity and liabilities	38,548	40,718	



6. Statement of Cash Flows:

(₹ in lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
	(Audited)	(Audited)
A. Cash flows from operating activities:		
Net (loss)/profit before tax	(1,288)	1,760
Adjustments to reconcile (loss)/profit before tax to net cash flows:		
Depreciation and amortisation expense	2,255	2,007
(Gain)/loss on disposal of property, plant and equipment (net)	(72)	10
Finance costs	1,749	1,708
Interest income	(77)	(63)
Employee benefits expense	4	4
Rent expenses	3	6
Liabilities/provisions no longer required written back	(267)	(161)
Bad debts written off	1	
Other amount written off	45	91
Gain on valuation of mutual funds measured at fair value through profit or loss	(9)	(6)
Unrealised exchange gain (net)	(70)	(114)
Operating profit before working capital changes	2,274	5,242
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Inventories	1,749	(1,041)
Trade receivables	707	2,294
Financial assets - loans	25	32
Financial assets - others	(302)	105
Other current and non-current assets	1,027	(309)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(807)	(1,702)
Other financial liabilities	(216)	(137)
Other current and non-current liabilities	263	98
Provisions	86	145
Cash generated from operations	4,806	4,727
Income tax paid (net of refund)	(145)	(530)
Net cash flows from operating activities (A)	4,661	4,197
B. Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances)	(1,449)	(2,600)
Proceeds from sale of property, plant and equipment	124	41
Bank balances not considered as cash and cash equivalents (net)	(48)	(22)
Interest received	58	61
Purchase of financial instruments	-	(106)
Net cash flows used in investing activities (B)	(1,315)	(2,626)
C. Cash flows from financing activities:		
Proceeds from long-term borrowings	-	4,840
Repayment of long-term borrowings	(1,630)	(3,194)
Interest paid	(1,536)	(1,592)
Payment of lease liabilities	(441)	(335)
Transaction cost for lease liabilities	(139)	-
Net cash flows used in financing activities (C)	(3,746)	(281)
Net increase in cash and cash equivalents (A+B+C)	(400)	1,290
Cash and cash equivalents at the beginning of the year	(1,639)	(2,922)
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(8)	(7)
Cash and cash equivalents at the end of the year	(2,047)	(1,639)
Cash and cash equivalents	206	6
Other bank balances (represents cash credit and packing credit)	(2,253)	(1,645)
Cash and bank balances	(2,047)	(1,639)

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

For and on behalf of the Board of Directors



SURINDER PAUL KANWAR
Chairman & Managing Director
DIN: 00033524

Date: 29 May, 2024