



CORPORATE GOVERNANCE REPORT

For the Year ended 31 March, 2015
(Pursuant to Clause 49 of the Listing Agreements)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

- Lay solid foundations for management.
- Promote ethical and responsible decision-making.
- Structure the Board to add value.
- Encourage enhanced performance.
- Safeguard integrity in financial reporting.
- Respect the right 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.

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

2. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive and Non-Executive Independent Directors on the Board which includes one Woman Director. As on 31 March, 2015, the Board consists of Nine (9) 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. All Non-Executive Independent Directors bring a wide range of expertise and experience to the Board. The Board believes that the current size of the Board is appropriate based on 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:

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
 - who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
- apart from receiving Director's remuneration, has or had no material pecuniary relationship 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;
- 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;
- who, neither himself/herself nor any of his/her relatives —
 - 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;
 - 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 firm of Auditors or Company Secretaries in Practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
 - 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;
 - holds together with his relatives two per cent or more of the total voting power of the Company; or
 - is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;

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- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. is not less than 21 years of age.

The Board of Directors of the Company, vide its resolution dated 16 May, 2007 has decided that the materiality/significance shall be ascertained on the following basis:

- The concept of 'materiality' is relevant from the total revenue inflow and/or outflow from and/or to a particular individual/body, directly or indirectly, during a particular financial year.

- The term 'material' needs to be defined in percentage. One per cent (1 per cent) or more of total turnover of the Company, as per latest audited annual financial statement.

It has been confirmed by all the Independent Directors of the Company that as on 31 March, 2015, they fulfill the criteria of being "Independent Director" as stipulated under Clause 49 of the Listing Agreements.

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

Table-1

S.No	Name of Director(s)	Category	No. of Board Meetings held/attended	Attendance at last AGM	No. of outside Directorships held ^A	No. of Memberships/ Chairmanships in Board Committees ^B	
						Member	Chairman
1.	Mr. Surinder P. Kanwar	Chairman and Managing Director	5/5	Present	2	1	-
2.	Mr. Sameer Kanwar	Joint Managing Director	5/5	Present	-	1	-
3.	Mr. W.R. Schilha	Non-Executive Independent Director	5/3	Present	-	-	-
4.	Dr. Ram S. Tarneja	Non-Executive Independent Director	5/5	Present	9	4	2
5.	Mr. N.J. Kamath*	Non-Executive Independent Director	5/5	Present	-	1	1
6.	Mr. V.K. Pargal	Non-Executive Independent Director	5/5	Present	2	3	-
7.	Mr. S.G. Awasthi	Non-Executive Independent Director	5/5	Present	-	-	-
8.	Mr. Rakesh Chopra	Non-Executive Independent Director	5/5	Present	2	3	1
9.	Ms. Hiroo Suresh Advani	Non-Executive Independent Director	5/5	Present	-	-	-

* Resigned w.e.f. 29 May, 2015.

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

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

None of the Independent Director of the Company holds the position of the Independent Director in more than Seven (7) listed Companies, including Independent Directorship in Bharat Gears Limited and any such Director serving as a whole time Director in a listed Company is not

serving as an Independent Director in more than three listed Companies including Bharat Gears Limited.

Mr. Surinder P. Kanwar is father of Mr. Sameer Kanwar. Mr. Sameer Kanwar has been re-appointed as Joint Managing Director of the Company w.e.f. 01 June, 2013 for a period of 5(Five) years.

Apart from this, no other Non-Executive Director has any material pecuniary relationships/transactions vis-à-vis the Company (other than the sitting fees for attending the Board/Committee meetings).

A formal letter of appointment had been issued to the Directors appointed at the Annual General Meeting of the Company held on 01 August, 2014. The terms and conditions of the said appointment are available on the website of the Company i.e. www.bharatgears.com.

Further, the Company has adopted a familiarisation programme for Independent Directors which is available on the website of the Company i.e. www.bharatgears.com under the link: <http://www.bharatgears.com/documents/familiarisation-programme-independent-directors.pdf>.





B. Board Meetings

During the financial year 2014-15, Five (5) Board Meetings were held on the following dates. The gap between any two meetings was not more than One hundred and twenty (120) days as mandated in Clause 49 of the Listing Agreements:-

- 28 May, 2014;
- 01 August, 2014;
- 06 November, 2014;
- 28 January, 2015; and
- 27 March, 2015

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 atleast once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. 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. 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 are 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 Clause 49 of the Listing agreements.

- 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.

3. BOARD COMMITTEES

A. Audit Committee

I. Constitution and Composition

The "Audit Committee" comprises of the following four (4) Non-Executive and 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 2** gives the composition of the Audit Committee and the attendance record of members of the Committee:

Table-2

S.No.	Name of Member	Designation	No. of meetings Held/Attended
1.	Dr. Ram S. Tarneja	Chairman	5/5
2.	Mr. V.K. Pargal	Member	5/5
3.	Mr. N.J. Kamath*	Member	5/5
4.	Mr. Rakesh Chopra	Member	5/4

* Resigned w.e.f. 29 May, 2015.

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors, Cost Auditors and the Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with 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 the internal control systems and internal audit reports.

The Chairman of the Audit Committee was present in the last Annual General Meeting and replied to the queries of the shareholders to their satisfaction.

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

II. Audit Committee Meetings

During the year, five (5) meetings of the Audit Committee were held on the following dates:

- 27 May, 2014;
- 31 July, 2014;
- 05 November, 2014;
- 28 January, 2015; and
- 26 March, 2015

III. Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in Clause 49 of the Listing Agreements, 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.

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4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. Role of Audit Committee

The role of the Audit Committee 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. Qualifications 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. Review and monitor 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 CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

V. Review of Information by Audit Committee

The Audit Committee reviews the following information:

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

B. Nomination and Remuneration Committee

1. Constitution and Composition

Pursuant to the enactment of the Companies Act, 2013 and revisions in Clause 49 of the listing agreements mandating the constitution of Nomination and Remuneration Committee, the nomenclature of the erstwhile "Remuneration Committee" constituted on 22 April, 2002 had been changed to "Nomination and Remuneration Committee" by the Board of Directors of the Company on 07 May, 2014 thereby assigning the adequate roles and responsibilities in line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreements.





The Nomination and Remuneration Committee constitutes of following four (4) Directors as members. **Table-3** gives the composition of the Nomination and Remuneration Committee and the attendance record of the members of the committee.

Table-3

S.No.	Name of Member	Designation	No. of meetings Held/Attended
1.	Mr. N.J. Kamath*	Chairman	4/4
2.	Mr. Surinder P. Kanwar	Member	4/4
2.	Dr. Ram S. Tarneja	Member	4/4
3.	Mr. V.K. Pargal	Member	4/4

* Resigned w.e.f. 29 May, 2015.

Mr. N.J. Kamath, Dr. Ram S. Tarneja and Mr. V.K. Pargal are the Non-Executive Independent Directors and Mr. Surinder P. Kanwar is Chairman and Managing Director of the Company.

II. Nomination and Remuneration Committee Meetings

During the Financial Year 2014-15, Four (4) meetings of the Nomination and Remuneration Committee were held. **Table-4** gives the details of the date and purpose of the meetings of Nomination and Remuneration Committee: -

Table-4

S.No.	Date of Meeting	Purpose
1.	27 May, 2014	1. Adoption of terms of Reference (Charter) of the Nomination and Remuneration Committee laid down by the Board of Directors of the Company 2. Consideration and approval of the payment of remuneration to Mr. Sameer Kanwar, Joint Managing Director, for further period of 2 (Two) years w.e.f 01 June, 2014 of his present tenure
2.	31 July, 2014	1. Recommendation of the Remuneration Policy for the Directors/Senior Management Personnel of the Company to the Board of Directors 2. Consideration and approval of the payment of remuneration to Mr. Surinder P. Kanwar, Chairman & Managing Director, for further period of 1 (One) year w.e.f 01 October, 2014 of his present tenure
3.	28 January, 2015	Consideration and approval of the evaluation process of Directors of the Company and recommendation of the same to the Board of Directors
4.	27 March, 2015	Noting of the performance evaluation of Independent Directors carried on by the Board of Directors and performance evaluation by the Independent Directors in their separate meeting

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting, to answer the shareholders' queries.

III. Role of Nomination and Remuneration Committee

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 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 their appointment and removal.

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

IV. Nomination and Remuneration Policy

In terms of requirements of Clause 49 of the Listing Agreements, the Board of Directors of the Company, in its meeting held on 01 August, 2014 approved the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management. The said policy is available on the website of the Company i.e. www.bharatgears.com

The objectives and purpose of the said policy are:

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

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

V. Policy on Board Diversity

The Nomination and Remuneration Committee 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.

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VI. Remuneration of Directors for 2014-15

Table-5

(₹ In lacs)

NON-EXECUTIVE INDEPENDENT DIRECTORS				
Name of Members	Sitting Fees#		Salaries and Perquisites	Total
	Board Meetings	Committee Meetings@		
Mr. N. J. Kamath\$	0.84	1.18	Nil	2.02
Mr. V. K. Pargal	0.84	1.12	Nil	1.96
Dr. Ram S. Tarneja	0.84	1.12	Nil	1.96
Mr. W.R. Schilha	0.51	-	Nil	0.51
Mr. S.G. Awasthi	0.84	0.23	Nil	1.07
Mr. Rakesh Chopra	0.84	0.96	Nil	1.80
Ms. Hiroo Suresh Advani	0.84	0.06	Nil	0.90
			Sub-Total (A)	10.22
EXECUTIVE DIRECTORS				
Mr. Surinder P. Kanwar	Nil	Nil	• Salary	167.71
			• Contribution to provident and other funds (*)	20.12
			• Monetary value of perquisites (**)	47.12
Mr. Sameer Kanwar	Nil	Nil	• Salary and allowances	98.77
			• Contribution to provident and other funds (*)	10.46
			• Monetary value of perquisites (**)	16.90
			Sub-Total (B)	361.08
			Grand Total	371.30

\$ Resigned w.e.f. 29 May, 2015.

Inclusive of Service Tax @ 12.36%.

@ Includes the amount of sitting fees paid for the separate meeting of Independent Directors.

*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 P. 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 Independent by way of sitting fees at the rate of ₹ 15,000/- for attending each meeting of the Board and Audit Committee and ₹. 5,000/- for other Committees of the Board of Directors of the Company.

VII. Performance Evaluation

The Nomination and Remuneration Committee in its meeting held on 28 January, 2015 laid down the criteria for performance evaluation of Independent Directors. The criteria for performance evaluation covers the area relevant to their role as Independent Directors in the Company.

The Board of Directors in its meeting held on 27 March, 2015 evaluated the performance of Independent Directors.

During the Financial Year 2014-15, a separate meeting of the Independent Directors of the Company was held on 27 March, 2015. The Independent Directors in their separate meeting:

- reviewed the performance of non-independent Directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

- assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

C. Stakeholders' Relationship Committee

In terms of provisions of Section 178(5), 178(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreements, the Board of Directors in its meeting held on 28 May, 2014 changed the nomenclature of the erstwhile "Shareholders'/Investors' Grievance Committee" to "Stakeholders' Relationship Committee" with the revised terms of reference.

The "Stakeholders' Relationship Committee" has been empowered to consider and resolve the grievances of shareholders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and other miscellaneous complaints. The said Committee is also authorised to effect transfers/transmissions of Equity Shares/Debentures and other





securities and also to issue Duplicate Share Certificates and other securities and matters related or incidental thereto.

The **Table-6** gives the composition of the Stakeholders' Relationship Committee and the attendance record of Members of the Stakeholders' Relationship Committee (erstwhile Shareholders'/ Investors' Grievance Committee):

Table-6

S.No.	Name of Member	Designation	No. of meetings Held/Attended
1.	Mr. N. J. Kamath*	Chairman	1/1
2.	Mr. Sameer Kanwar	Member	1/1
3.	Mr. Rakesh Chopra	Member	1/1

* Resigned w.e.f. 29 May, 2015.

Mr. N.J. Kamath and Mr. Rakesh Chopra are the Non-Executive Independent Directors and Mr. Sameer Kanwar is Joint Managing Director of the Company.

I. Stakeholder's Relationship Committee Meetings

During the Financial Year 2014-15, the Committee met one (1) time on 27 May, 2014 and the Committee took note of status of requests received from the Shareholders for Dematerialisation, Rematerialisation, Transfers and Transmission of Shares as on 31 March, 2014.

II. Sub-Committee

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

- Mr. Surinder P. Kanwar, Chairman and Managing Director
- Mr. Sameer Kanwar, Joint Managing Director
- Mr. P.C. Kothari, Head (Finance and Accounts)**
- Mr. Prashant Khattri, Head (Legal) and Company Secretary

**Ceased to be a member w.e.f. 24 April, 2015.

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.

III. Status of Investor Complaints/Requests

No. of Complaints received during financial year 2014-15	NIL
No. of Complaints resolved to the satisfaction of stakeholders during financial year 2014-15	Not Applicable

No. of pending requests for share transfers, transmissions, dematerialisations and rematerialisations as on 31 March, 2015

Particulars	No. of Requests	No. of Securities
Transfers and Transmissions	NIL	NIL
Dematerialisations and Rematerialisations	NIL	NIL

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

I. Constitution and Composition

The Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors of the Company had been constituted by the Board on 15 January, 2015 as required under the provisions of the Companies Act, 2013.

The terms of reference of the CSR Committee are as follows:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

The **Table-7** gives the composition of the CSR Committee and the attendance record of Members of the CSR Committee:

Table-7

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

Mr. Surinder P. Kanwar is Chairman and Managing Director, Mr. Sameer Kanwar is Joint Managing Director and Mr. Rakesh Chopra and Mr. S.G. Awasthi are the Non-Executive Independent Directors of the Company.

II. CSR Committee Meetings

During the Financial Year 2014-15, Two (2) meetings of the CSR Committee were held. **Table-8** gives the details of the date and purpose of the meetings of CSR Committee: -

Table-8

S.No.	Date of Meeting	Purpose
1.	28 January, 2015	Recommendation of the Corporate Social Responsibility Policy (CSR Policy) to the Board of Directors
2.	27 March, 2015	Consideration and approval 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.

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The **Table-9** gives the composition of the Finance Committee:

Table-9

S. No.	Name of Member	Designation
1.	Mr. Rakesh Chopra	Chairman
2.	Mr. Surinder P. Kanwar	Member
3.	Mr. Sameer Kanwar	Member
4.	Mr. S.G. Awasthi	Member

Mr. Rakesh Chopra and Mr. S.G. Awasthi are the Non-Executive Independent Directors, Mr. Surinder P. Kanwar is Chairman and Managing Director and Mr. Sameer Kanwar is Joint Managing Director of the Company.

During the Financial Year 2014-15, One (1) meeting of Finance Committee was held on 10 March, 2015 to discharge the functions delegated to the Committee.

4. COMPLIANCE OFFICER

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

5. DIRECTORS

During the financial year 2014-15, the members of the Company at their Annual General Meeting held on 01 August, 2014 approved the appointment of Dr. Ram S Tarneja, Mr. S.G. Awasthi and Ms. Hiroo Suresh Advani as Non Executive Independent Directors in terms of Section 149 of the Companies Act, 2013 for a period of 5 (Five) Years upto the conclusion of the 47th Annual General Meeting (AGM) of the Company in the Calendar year 2019.

Re-Appointment of existing Non-Executive Rotational Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rakesh Chopra and Mr. V.K. Pargal, Directors retire by rotation at the ensuing Annual General Meeting. Therefore, in terms of Section 149 of the Companies Act, 2013, it has been proposed to appoint Mr. Rakesh Chopra and Mr. V.K. Pargal as Non Executive Independent Directors at the ensuing Annual General Meeting (AGM) of the Company for a period of 5 (Five) Years upto the conclusion of the 48th Annual General Meeting (AGM) of the Company in the Calendar year 2020.

Table-11

Financial Year	Venue	Date & Time	Special Resolution(s) Passed
2013-14	Huda Convention Centre, Sector-12, Faridabad-121007 Haryana)	01 August, 2014 11.30 A.M.	Yes 1. Consideration and approval of the payment of remuneration to Mr. Sameer Kanwar, Joint Managing Director of the Company, for further period of 2 (Two) years w.e.f 01 June, 2014 of his present tenure 2. Consideration and approval of increase in borrowing powers of the Company
2012-13	Huda Convention Centre, Sector-12, Faridabad-121007 (Haryana)	31 July, 2013 11.30 A.M.	Yes Appointment of Mr. Sameer Kanwar as Joint Managing Director for further period of 5 (Five) years w.e.f. 01 June, 2013
2011-12	Faridabad Industries Association, FIA House, Bata Chowk, Faridabad-121001 (Haryana)	26 July, 2012 11.30 A.M.	No

As required under Clause 49 of the Listing Agreements, the information or details pertaining to the Directors seeking appointment/re-appointment in the ensuing Annual General Meeting, are furnished below.

The **Table-10** gives the information pertaining to the Non-Executive Independent Directors who are to be appointed in terms of the provisions of the Section 149 of the Companies Act, 2013 in the forthcoming Annual General Meeting:

Table-10

S. No.	Particulars of Directors
1.	Mr. V.K. Pargal, Director Brief Resume: Mr. Virender Kumar Pargal aged 82 Years is a Non-Executive Director of the Company since 24 January, 2002. Mr. Pargal is a qualified Chartered Engineer from England. He is presently also managing a consultancy company specializing in business Strategies & Structures and he holds the directorship in Pargal Consultants Pvt. Ltd. Apart from being the member of Nomination and Remuneration Committee of Bharat Gears Limited, he is also the Member of Audit Committee of Bharat Gears Limited. As on 31 March, 2015, he holds 100 shares in the Company.
2.	Mr. Rakesh Chopra, Director Brief Resume: Mr. Rakesh Chopra aged 64 years is a Non-Executive Independent Director of the Company since 25 January, 2007. He is a qualified Chartered Accountant (England & Wales) and MBA from Cranfield University, U.K. He had been spearheading various industry groups at top levels including Escorts Limited. He has rich experience of around 39 years. As on 31 March, 2015, he does not hold any share in the Company.

6. GENERAL BODY MEETINGS

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

Annual General Meetings





Extra-ordinary General Meetings

No Extraordinary General Meeting of the Company was held during the Financial Year ended 31 March, 2015.

Postal Ballot

During the Financial Year 2014-15, the Company has obtained the approval of its members through Postal Ballot (Including voting by electronic means) in accordance with the procedure prescribed in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 on following resolutions:

1. Consideration and approval of the payment of remuneration to Mr. Surinder P. Kanwar, Chairman and Managing Director of the Company for 1 (One) year w.e.f 01 October, 2014 to 30 September, 2015.

2. Creation of charge on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1)(a) of the Companies Act, 2013.

Mr. Rajesh Kumar Khandelwal, Partner, M/s. Sanmarks & Associates, Chartered Accountants, Faridabad was appointed as the Scrutinizer by the Board to conduct the said Postal Ballot Process in fair and transparent manner.

The results of voting, conducted through Postal Ballot (including voting by electronic means) for passing of the Special Resolution(s), had been announced by the Chairman and Managing Director on 17 October, 2014 and the same is reproduced here:

Resolution No. 1: To consider and approve the payment of remuneration to Mr. Surinder Pal Kanwar, Chairman and Managing Director of the Company for a period of 1(One) year w.e.f. 01 October, 2014 to 30 September, 2015.

Type of Resolution: (Special)

Promoter/ Public	No. of Shares held (1)	No. of Votes Polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] *100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	4141738	4141133	99.98	4141133	0	100.00	0.00
Public – Institutional holders	0	0	0.00	0	0	0.00	0.00
Public – Others	3676095	13287	0.37	8526	4761	64.17	35.83
Total	7817833	4154420	53.14	4149659	4761	99.89	0.11

Resolution No.2: Creation of charge on the movable and immovable properties of the Company, both present and future, in respect of Borrowings u/s 180(1)(a) of the Companies Act, 2013.

Type of Resolution: (Special)

Promoter/ Public	No. of Shares held (1)	No. of Votes Polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] *100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] *100	% of Votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	4141738	4141133	99.98	4141133	0	100.00	0.00
Public – Institutional holders	0	0	0.00	0	0	0.00	0.00
Public – Others	3676095	12910	0.35	8526	4384	66.04	33.96
Total	7817833	4154043	53.13	4149659	4384	99.89	0.11

7. DISCLOSURES

A. Related Party Transactions

During the year 2014–15, there were no material individual transactions with related parties, which are not in normal course of business or are not on an Arm's Length basis. 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 financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Clause 49 of the Listing Agreements. The policy of the Company on dealing with Related Party Transactions effective from 01 October, 2014 is available on the website of the Company i.e. www.bharatgears.com.

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 Clause 49 of the Listing Agreements, the Board of Directors of the Company has adopted a comprehensive Enterprise Risk Management Framework wherein the risks faced by the Company have been identified and assessed and on the basis of the same, the various risks have been prioritized and further the procedures have been devised upon to mitigate such risks. The progress checks on all the risks are done at the Senior Management level and the summary of the same is placed before the Board on a quarterly basis.

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

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

D. Management

Management Discussion and Analysis forms part of the Annual Report to the Shareholders for the Financial Year 2014-15.

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 modified as per Clause 49 of the Listing Agreements and Section 177 of the Companies Act, 2013 in the Board Meeting held on 28 May, 2014. The policy provides a channel to the employees and Directors 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 and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy has been communicated to all the personnel of the Company and is available on the website of the Company i.e. www.bharatgears.com.

During the year, 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.

G. CEO/CFO certification

Certificate from Mr. Surinder P. Kanwar, Chairman and Managing Director and Mr. Milind Pujari, Chief Financial Officer in terms of Clause 49 (IX) of the Listing Agreements with the Stock Exchanges for the Financial Year ended 31 March, 2015 was placed before the Board of Directors of the Company in its meeting held on 29 May, 2015.

H. Code of Conduct and Corporate Ethics

• Code of Business Conduct and Ethics

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

• Code of Conduct for Prevention of Insider Trading

The Company has a comprehensive Code of Conduct for its Management, Staff and Directors for prevention of Insider Trading in compliance with 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 continuous basis for prevention of Insider Trading. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to Code for prevention of Insider Trading. A copy of same has been posted at the official website of the Company i.e. www.bharatgears.com.

I. Legal Compliance Reporting

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and 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.





J. Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreements entered into with Stock Exchanges. Details of compliances are given below:

Table-12

	Particulars	Clause of Listing Agreement	Compliance status
II.	Board of Directors	49(II)	Yes
(A)	Composition of Board	49(IIA)	Yes
(B)	Independent Directors	49(IIB)	Yes
(C)	Non-executive Directors' compensation & disclosures	49(IIC)	Yes
(D)	Other provisions as to Board and Committees	49(IID)	Yes
(E)	Code of Conduct	49(IIE)	Yes
(F)	Whistle Blower Policy	49(IIF)	Yes
III.	Audit Committee	49(III)	Yes
(A)	Qualified and independent Audit Committee	49(IIIA)	Yes
(B)	Meeting of Audit Committee	49(IIIB)	Yes
(C)	Powers of Audit Committee	49(IIIC)	Yes
(D)	Role of Audit Committee	49(IIID)	Yes
(E)	Review of information by Audit Committee	49(IIIE)	Yes
IV.	Nomination and Remuneration Committee	49(IV)	Yes
V.	Subsidiary Companies	49(V)	N.A.
VI.	Risk Management	49(VI)	Yes
VII.	Related Party Transactions	49(VII)	Yes
VIII.	Disclosures	49(VIII)	Yes
(A)	Related party transactions	49(VIIIA)	Yes
(B)	Disclosure of Accounting Treatment	49(VIIIB)	N.A.
(C)	Remuneration of Directors	49(VIIIC)	Yes
(D)	Management	49(VIIID)	Yes
(E)	Shareholders	49(VIIIE)	Yes
(F)	Proceeds from public issues, rights issue, preferential issues, etc.	49(VIIIF)	N.A.
IX.	CEO/CFO Certification	49(IX)	Yes
X.	Report on Corporate Governance	49(X)	Yes
XI.	Compliance	49(XI)	Yes

K. Non-Mandatory Requirements

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

Table-13

Financial Results	Name(s) of Newspapers	Date(s) of Publication
Quarter/Year ended 31 March, 2014	The Economic Times* The Economic Times (Hindi)** Mint#	29 May, 2014
Quarter ended 30 June, 2014	Economic Times* Veer Arjun(Hindi)## Mint#	02 August, 2014
Quarter/Half Year ended 30 September, 2014	Mint# Veer Arjun (Hindi)##	07 November, 2014
Quarter ended 31 December, 2014	Mint# Veer Arjun (Hindi)##	29 January, 2015

*Economic Times-Mumbai & Delhi Edition

**Economic Times (Hindi)-Delhi Edition

#Mint-Ahmedabad/ Bangalore/ Chandigarh/ Chennai/ Hyderabad/ Kolkata/ Mumbai/ New Delhi/Pune Editions

##Veer Arjun (Hindi)-Delhi Edition

L. Means of Communication

The Quarterly, Half Yearly and Annual Financial Results during the year were published by the Company as under:

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In addition to the above, the quarterly/half yearly and the annual financial results and official releases, if any, are also displayed under the "Investors" section on the Company's official website i.e. www.bharatgears.com for the information of all the shareholders. The quarterly/half-yearly and annual financial results, shareholding pattern, along with full version of Corporate Governance Report, Annual Report and other requisite material information are also displayed on www.corpfiling.co.in.

Also, the Quarterly Corporate Governance Report and Shareholding Pattern of the Company as mandated under Clause 49 and Clause 35 of the Listing Agreements respectively are filed with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre.

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.

M. Green Initiative:

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs (MCA), the Company had sent soft copies of Annual Reports for the year 2013-14 to all those shareholders whose e-mail addresses were made available to the depositories or the Registrar and Transfer Agents (RTA). Physical copies were sent to only those shareholders whose e-mail addresses were not available and for the bounced e-mail cases.

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

8. 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 Friday, the 31 July, 2015 at HUDA Convention Centre, Sector-12, Faridabad-121007, (Haryana).

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. Date of Book Closure:

25 July, 2015 to 31 July, 2015 (both days inclusive).

E. 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]
2. National Stock Exchange of India Limited [NSE]
[Symbol: BHARATGEAR]

The Annual Listing Fees for the year 2015-16 has been paid in advance to the aforesaid Stock Exchanges.

F. Market Price Data:

High and Low prices during each month of Financial Year 2014-15 on National Stock Exchange of India Limited and BSE Limited are as under:

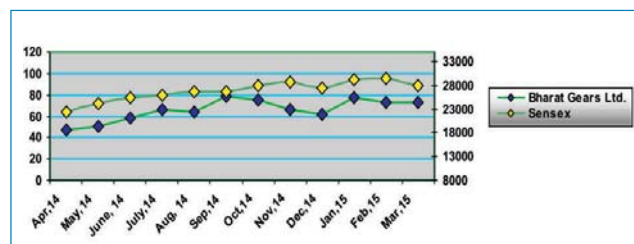
The Closing Price represents the price on the last trading day of each month of Financial Year 2014-15.

Table-14

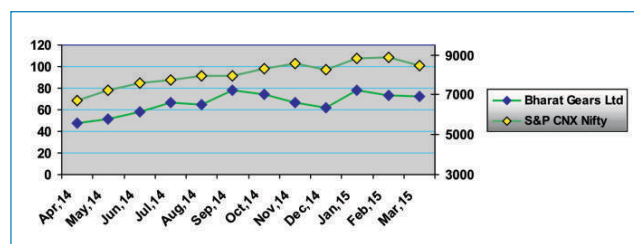
Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April	54.00	51.75	39.25	38.10	47.65	47.45
May	61.45	62.30	43.00	43.00	51.25	50.60
June	59.80	59.70	48.15	48.25	58.00	58.40
July	80.55	82.00	56.65	57.35	66.45	66.45
August	73.75	73.50	55.45	55.80	64.85	64.40
September	85.90	85.60	63.25	64.00	78.00	78.40
October	79.60	83.00	67.25	68.80	74.65	74.70
November	80.00	80.00	66.00	65.00	66.25	66.25
December	75.00	79.00	60.05	60.20	62.35	62.00
January	103.45	103.50	60.20	60.70	77.65	77.30
February	84.40	84.50	70.10	70.00	73.30	73.10
March	83.75	84.50	66.70	67.00	72.45	72.65

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

a. BHARAT GEARS' PRICES VERSUS SENSITIVITY AT BSE



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





G. Registrar and Transfer Agent:

Link Intime India Private Limited (Formerly known as Intime Spectrum Registry 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
44, Community Centre, 2nd Floor
Naraina Industrial Area
Phase-1, Near PVR Naraina
New Delhi- 110028
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.

H. Share Transfer System:

The Shares are accepted for registration of transfer 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 transfer and transmission, a sub-committee consisting of the following directors/officers of the Company is in place for effecting Transfer/Transmission/Split/Consolidation of Shares.

- Mr. Surinder P. Kanwar, Chairman and Managing Director
- Mr. Sameer Kanwar, Joint Managing Director
- Mr. P.C. Kothari, Head (Finance and Accounts)**
- Mr. Prashant Khattry, Head(Legal) and Company Secretary

** Ceased to be a member w.e.f. 24 April, 2015.

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 effected by the Registrar and Transfer Agent of the Company.

As per the requirements of Clause 47(c) of the Listing Agreements with the Stock Exchanges, the Company has obtained the Half Yearly Certificates from a Company Secretary in Practice for due compliance of Share Transfer formalities.

I. Shareholding pattern of the Company as per category of shareholders as on 31 March, 2015

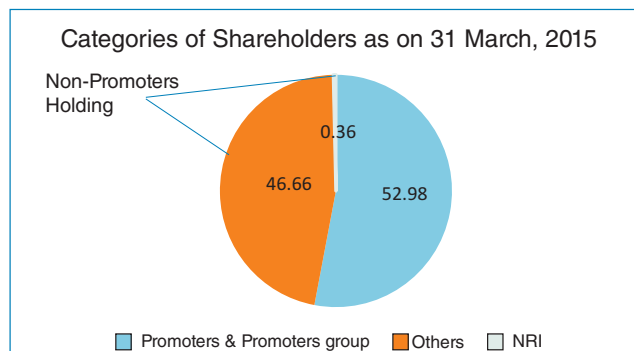


Table-15

Category	No. of Shares Held	%age of Shareholding
A. Promoters' holding		
1. Promoters		
- Indian Promoters	2304525	29.48
- Foreign Promoters	-	-
2. Persons acting in Concert	1837213	23.50
B. Non-Promoters' Holding		
3. Institutional Investors		
a. Mutual Funds and Unit Trust of India	3300	0.04
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	2018	0.03
c. Foreign Institutional Investor	50	0.00
4. Others		
a. Private Corporate Bodies	549388	7.03
b. Indian Public	2958907	37.84
c. Non Resident Indians/Overseas	28155	0.36
d. Any Other	134277	1.72
Total	7817833	100.00

J. Distribution of Shareholding as on March 31, 2015:

Table-16

No. of Equity shares held	Number of Shareholders	Number of Shares	%age to total shares
Up to 250	9217	522511	6.68
251 to 500	835	326014	4.17
501 to 1000	379	311561	3.99
1001 to 2000	194	296399	3.79
2001 to 3000	61	156146	2.00
3001 to 4000	28	98064	1.25
4001 to 5000	23	105417	1.35
5001 to 10000	45	342830	4.39
10001 and above	59	5658891	72.38
Total	10841	7817833	100.00

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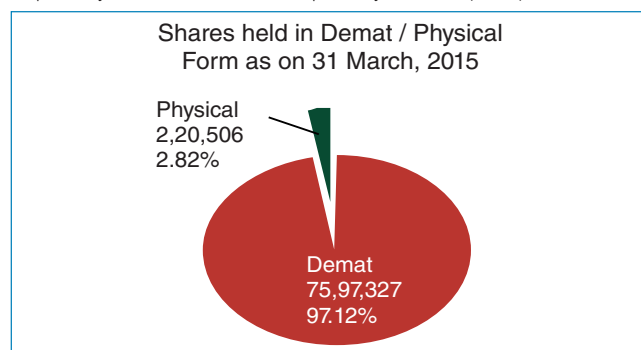
2014-2015

K. Share Dematerialisation System:

The requests for dematerialisation of shares are processed by Registrar & 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.

L. Dematerialization of Shares and Liquidity:

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



As on 31 March, 2015 a total of 75,97,327 equity shares of the Company of ₹ 10/- each, which form 97.18% of the paid up Equity Share Capital, stand dematerialized.

PARTICULARS					
DEMAT				PHYSICAL	
NSDL		CDSL			
No. of shares	%	No. of shares	%	No. of shares	%
60,32,389	77.16	15,64,938	20.02	2,20,506	2.82

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

M. Unclaimed Shares in Physical Mode

As per Clause 5A of the Listing Agreements, there are no unclaimed shares in the Company.

N. Corporate Benefits

Dividend History:

Dividend on Equity Shares

Table-17

Financial Year	Rate (%)	Amount (₹ in Lacs)
2014-15	NIL	NIL
2013-14	10	78.00
2012-13	18	141.00
2011-12	18	141.00
2010-11	15	117.00

Dividend on preference shares*

Table-18

Financial Year	Rate (%)	Amount (₹ in Lacs)
2011-12	10	10.00
2010-11	10	21.00
2009-10	10	21.00
2008-09	10	21.00

* All the preference shares issued by the Company had been redeemed upto 31 March, 2012.

O. Plant locations:

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

- 20 K.M., Mathura Road, P.O. Amar Nagar, Faridabad, Haryana, Pin-121 003
- Kausa Shil, Mumbra, Dist. Thane, Maharashtra, Pin-400 612
- Lonand, Taluka Khandala, District Satara, Maharashtra, Pin: 4115521

P. Addresses for Correspondence:

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

Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area Phase-I, Near PVR Naraina, New Delhi 110 028, Phone No. 011-41410592-94, Email: delhi@linkintime.co.in.

For Investor Assistance:-

Mr. Prashant Khattri, 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.khattri@bglindia.com

Q. Investor Relations:

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

R. E-mail for investors:

The Company has designated investor@bglindia.com as email address especially for investors' grievances. Alternatively, the investors can send their complaints/requests at bglifbd@vsnl.net.in.

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





S. Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's RTA. The said form can be obtained from the Company's RTA or downloaded from the Company's Website http://bharatgears.com/documents/form_sh_13_nomination.pdf. The Shareholders who wish to change or cancel their nominations, if already made may send their requests in prescribed Form SH-14 of the Companies (Share Capital and Debentures) Rules 2014, to the Companies RTA which can be obtained from the Company's RTA or downloaded from the Company's Website <http://bharatgears.com/documents/form-sh-14-validation-or-cancellation.pdf>. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility or further change in nominations.

T. Updation of Shareholders information:

The Shareholders of the Company are requested to intimate their latest Residential Address along with the details of their Shareholding in "Updation of Shareholder's Information Form" (which can be obtained from the Registered Office of the Company or downloaded from the Company's Website http://bharatgears.com/documents/form_updation_shareholders_information.pdf). The duly filled form for Updation of information may either be sent to the Company at its Registered Office or be hand-delivered at the Annual General Meeting of the Company.

On Behalf of the Board of Directors

Surinder P. Kanwar
Chairman and Managing Director

Place: Mumbai
Dated: 29 May, 2015

COMPLIANCE CERTIFICATE AS PER CLAUSE – 49(IX) OF THE LISTING AGREEMENTS

We have reviewed financial statements and the cash flow statement for the year 2014–15 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 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 2014–15;
- 3) Significant changes in accounting policies during the year 2014–15 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.

Place: Mumbai
Dated: 29 May, 2015

Milind Pujari
Chief Financial Officer

For Bharat Gears Limited

Surinder P. Kanwar
Chairman and Managing Director

COMPLIANCE WITH CODE OF CONDUCT

The Company has adopted "Code of Business Conduct and Ethics". 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.

It is hereby affirmed that during the year 2014-15, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Prashant Khattry
Head (Legal) and Company Secretary

For Bharat Gears Limited

Surinder P. Kanwar
Chairman and Managing Director

Place: Mumbai
Dated: 29 May, 2015

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AUDITOR'S CERTIFICATE

To

The Members of Bharat Gears Limited

We have examined compliance of conditions of Corporate Governance by Bharat Gears Limited (the Company), for the year ended on 31 March, 2015, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliances with the conditions of Corporate Governance as stipulated in Clause 49. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements.

We state that such compliance 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.

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



(Saira Nainar)
(Partner)

(Membership No. 040081)

Place: Mumbai
Dated: 29 May, 2015

