S R B C & CO LLP
Chartered Accountants

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Bharat Gears Limited

1. We have reviewed the accompanying statement of unaudited financial results of Bharat Gears Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, 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"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited financial results have been approved by the Board of Directors of the Company but have not been subjected to review.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 Standards on Auditing 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.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 19105497AAAACK3699

Place: Delhi
Date: November 14, 2019

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 SEPTEMBER, 2019

(₹ in lacs)

	Particulars	Quarter ended (Unaudited)			Six months period ended (Unaudited)		Previous year ended (Audited)
		30.09.2019	30.06.2019	30.09.2018	**30.09.2019**	30.09.2018	31.03.2019
1	Revenue from operations	**13,271**	11,488	14,958	**24,759**	29,560	59,440
2	Other income (Refer note 4)	**163**	40	239	**203**	441	475
3	**Total income (1+2)**	**13,434**	11,528	15,197	**24,962**	30,001	59,915
4	**Expenses**						
	(a) Cost of materials and components consumed	**6,350**	5,373	7,635	**11,723**	14,727	28,840
	(b) Changes in inventories of finished goods and work-in-progress	**376**	522	(1139)	**898**	(1,368)	(1,429)
	(c) Employee benefits expense	**2,325**	2,412	2,526	**4,737**	4,796	9,840
	(d) Finance costs	**563**	556	524	**1,119**	992	2,197
	(e) Depreciation and amortisation expense	**672**	665	529	**1,337**	1,018	2,176
	(f) Other expenses	**3,139**	3,080	4,483	**6,219**	8,676	16,346
	Total expenses	**13,425**	12,608	14,558	**26,033**	28,841	57,970
5	**Profit/(loss) before tax (3-4)**	**9**	(1,080)	639	**(1,071)**	1,160	1,945
6	**Tax expense**						
	1. Current tax	**978**	(978)	296	**-**	551	689
	2. Deferred tax	**(811)**	601	(59)	**(210)**	(133)	3
7	**Net profit/(loss) for the period (5-6)**	**(158)**	(703)	402	**(861)**	742	1,253
8	**Other comprehensive income/(loss)**						
	(i) Items that will not be reclassified to profit or loss	**(18)**	(18)	(40)	**(36)**	(40)	(285)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	**(21)**	6	14	**(15)**	14	99
9	**Total comprehensive income/(loss) for the period (7+8)**	**(197)**	(715)	376	**(912)**	716	1,067
10	Paid-up equity share capital (Face value ₹ 10/- per share)	**931**	931	814	**931**	814	814
11	Other equity (excluding revaluation reserve)						8035
12	Earnings per share [face value of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)	***(1.70)**	*(7.86)	* 4.75	***(9.44)**	*8.79	14.84

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FARIDABAD

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Notes:

1. The above financial results have been reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at their respective meetings held on 14 November, 2019.

2. The statutory auditors of the Company have carried out limited review of the aforesaid Unaudited Financial Results.

3. 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".

4. Other income includes:

(₹ in lacs)

Particulars	Quarter ended (Unaudited)			Six months period ended (Unaudited)		Previous year ended (Audited)
	30.09.2019	30.06.2019	30.09.2018	**30.09.2019**	30.09.2018	31.03.2019
Net exchange gain	**133**	17	218	**150**	395	391

5. The Company has adopted Ind AS 116 'Leases' effective 01 April, 2019. This has resulted in recognising right-of-use asset and corresponding lease liability of ₹ 485 lacs as at 01 April, 2019. Resulting impact in the financial results for the quarter and half year ended 30 September, 2019 is an increase of ₹ 51 lacs and ₹ 102 lacs in depreciation for the right-of- use assets, an increase of ₹ 13 lacs and ₹ 27 lacs in finance costs on lease liability and a decrease in lease rent cost of ₹ 59 lacs and ₹ 118 lacs respectively.

6. In terms of approval of Board of Directors at their meeting held on 09 October, 2018, the Company on 10 May, 2019 allotted 11,63,262 equity shares at a Price of ₹ 105 per share (including premium of ₹ 95 per share) to existing shareholders on rights basis. Pursuant to this allotment, the securities premium stands increased by ₹ 1054 lacs net of share issue expenses of ₹ 51 lacs. The proceeds from Rights Issue have been utilised for the intended purposes. Basic and diluted earnings per share for the quarter ended and six months period ended 30 September, 2018, and for year ended 31 March 2019 have been accordingly adjusted for effect of Rights Issue.

7. The Company has elected to exercise option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred tax assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the unaudited financial results for period ended 30 September, 2019.

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8. Statement of Assets and Liabilities:

(₹ in lacs)

	Particulars	As at 30.09.2019 Unaudited	As at 31.03.2019 Audited
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment	13,918	14,327
	(b) Capital work-in-progress	1,485	1,007
	(c) Intangible assets	141	150
	(d) Right-of-use assets	434	55
	(e) Financial assets		
	(i) Loans	150	138
	(ii)Others	192	180
	(f) Deferred tax assets (net)	499	305
	(g) Other non-current assets	412	527
		17,231	16,689
2	**Current assets**		
	(a) Inventories	8,370	9,407
	(b) Financial assets		
	(i) Trade receivables	11,438	11,616
	(ii) Cash and cash equivalents	41	57
	(iii) Bank balances other than (ii) above	622	677
	(iv) Loans	80	75
	(v) Others	407	680
	(c) Current tax assets (net)	24	66
	(d) Other current assets	1,752	2,692
		22,734	25,270
	Non-current asset held for sale	12	12
		22,746	25,282
	TOTAL	39,977	41,971
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	931	814
	(b) Other equity	8,065	8,035
		8,996	8,849
2	**Non-current liabilities**		
	(a) Financial Labilities		
	(i) Borrowings	9,345	8,044
	(ii) Other financial liabilities	-	-
	(b) Lease liabilities	269	46
	(c) Provisions	619	539
	(d) Other non-current liabilities	1,798	1,710
		12,031	10,339
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	4,575	5,935
	(ii) Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	236	410
	- total outstanding dues of creditors other than micro enterprises and small enterprises	10,437	11,233
	(iii) Others	2,838	3,894
	(b) Lease liabilities	176	9
	(c) Provisions	166	140
	(d) Other current liabilities	430	1,053
	(e) Current tax liabilities (net)	92	109
		18,950	22,783
	TOTAL	39,977	41,971

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9. Unaudited statement of Cash Flows:

(₹ in lacs)

	Particulars	For the six months period ended 30 September, 2019	For the six months period ended 30 September, 2018
A.	**Cash flows from operating activities:**		
	Net profit/(loss) before tax	**(1,071)**	1,160
	Adjustments to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation and amortisation expense	**1,336**	1,018
	(Profit) / Loss on disposal of property, plant and equipment (net)	**(1)**	6
	Finance costs	**1,013**	891
	Interest income	**(46)**	(37)
	Rent expenses	**3**	1
	Employee benefits expense	**3**	4
	Liabilities/provisions no longer required written back	**-**	(13)
	Allowance for doubtful debts	**-**	1
	Bad debts written off	**-**	3
	Other amounts written off	**(6)**	-
	Unrealised exchange (gain)/loss (net)	**(58)**	(139)
	Operating profit before working capital changes	**1,173**	2,895
	Changes in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	**1,037**	(2,032)
	Trade receivables	**177**	35
	Financial assets - loans	**(13)**	(29)
	Financial assets - others	**263**	(31)
	Other assets	**827**	(740)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	**(923)**	262
	Other financial liabilities	**43**	5
	Other current and non current liabilities	**(571)**	353
	Provisions	**106**	59
	Cash generated from operations	**2,119**	777
	Income tax (paid)/refund (net)	**26**	(430)
	Net cash flows from/(used in) operating activities (A)	**2,145**	347
B.	**Cash flows from investing activities:**		
	Purchase of property, plant and equipments and intangible assets (including capital work-in-progress, capital advances)	**(2,520)**	(3,266)
	Proceeds from sale of property, plant and equipments	**12**	6
	Bank balances (including non-current) not considered as cash and cash equivalents (net)	**52**	(3)
	Interest received	**40**	31
	Net cash flows from/(used in) investing activities (B)	**(2,416)**	(3,232)
C.	**Cash flows from financing activities:**		
	Proceeds from long-term borrowings	**2,500**	2,300
	Rights issue of equity shares (net of share issue expenses of ₹ 51 lacs)	**1,170**	-
	Repayment of long-term borrowings	**(878)**	(101)
	Net increase/(decrease) in short-term borrowings	**(1,863)**	256
	Interest paid	**(956)**	(787)
	Dividends paid	**(93)**	-
	Tax on dividend	**(19)**	-
	Payment of lease liabilities	**(116)**	-
	Net cash flows from/(used in) financing activities (C)	**(255)**	1668
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(526)**	(1,217)
	Cash and cash equivalents at the beginning of the year	**(2,652)**	(1,553)
	Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**7**	(26)
	Cash and cash equivalents at the end of six months period	**(3,171)**	(2,796)

Cash and cash equivalents	**41**	85
Other bank balances	**(3,212)**	(2,881)
Cash and bank balances	**(3,171)**	**(2,796)**

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

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For and on behalf of the Board of Directors

SURINDER PAUL KANWAR
Chairman & Managing Director

Place: New Delhi
Date : 14 November, 2019

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FARIDABAD