

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF BHARAT GEARS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **BHARAT GEARS LIMITED** ("the Company"), for the quarter and six month period ended 30 September, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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. 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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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 stated in paragraph 3 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 Standard 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 23040081BGWLVX1791)

Place: Mumbai
Date: 09 November, 2023

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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 MONTH PERIOD ENDED 30 SEPTEMBER, 2023

(₹ in lakhs)

	Particulars	Quarter ended			Six month period ended		Previous year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	17,902	17,048	21,355	34,950	39,752	76,636
2	Other income (Refer note 4)	74	41	192	115	430	876
3	Total income (1+2)	17,976	17,089	21,547	35,065	40,182	77,512
4	Expenses						
	(a) Cost of materials and components consumed	10,035	9,195	12,073	19,230	22,656	41,642
	(b) Changes in inventories of finished goods and work-in-progress	(402)	(299)	(288)	(701)	(1,209)	(756)
	(c) Employee benefits expense	3,021	2,932	3,011	5,953	5,748	11,576
	(d) Finance costs	438	442	397	880	813	1,708
	(e) Depreciation and amortisation expense	571	555	496	1,126	965	2,007
	(f) Other expenses (Refer note 5)	4,557	4,366	5,066	8,923	9,841	19,575
	Total expenses	18,220	17,191	20,755	35,411	38,814	75,752
5	(Loss)/Profit before tax (3-4)	(244)	(102)	792	(346)	1,368	1,760
6	Tax expense						
	(a) Current tax	(186)	(24)	230	(210)	397	466
	(b) Deferred tax charge/(credit)	115	(2)	(28)	113	(49)	(42)
	(c) Short/(excess) provision for tax relating to prior years (net)	-	-	14	-	14	(13)
	Total tax expense	(71)	(26)	216	(97)	362	411
7	Net (loss)/profit for the period (5-6)	(173)	(76)	576	(249)	1,006	1,349
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	- Re-measurement (loss)/gain on defined benefits obligations	(9)	(9)	72	(18)	93	(149)
	- Income tax effect	2	2	(18)	4	(23)	37
	Other comprehensive (loss)/income (net of tax)	(7)	(7)	54	(14)	70	(112)
9	Total comprehensive (loss)/income for the period (7+8)	(180)	(83)	630	(263)	1,076	1,237
10	Paid-up equity share capital (Refer note 8) (Face value ₹ 10/- per share)	1,536	1,536	1,024	1,536	1,024	1,536
11	Other equity						10,520
12	Earnings per share (Refer note 8) [face value of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)	*(1.13)	*(0.49)	*3.75	*(1.62)	*6.55	8.78

Notes:

1. The above Unaudited Financial Results have been reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at their respective adjourned meetings held on 09 November, 2023.
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:

Particulars	Quarter ended			Six month period ended		Previous year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net exchange gain	50	13	173	63	392	796

5. Other expenses are net of:

Particulars	Quarter ended			Six month period ended		Previous year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Recovery of expenses for the earlier period	-	-	234	-	93	93

[Signature]

6. Statement of Assets and Liabilities:

			(₹ in lakhs)
Particulars		As at 30.09.2023 (Unaudited)	As at 31.03.2023 (Audited)
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment		11,727	11,937
(b) Capital work-in-progress		294	191
(c) Intangible assets		77	77
(d) Right-of-use assets		1,156	1,182
(e) Financial assets			
(i) Investments		116	111
(ii) Loans		141	160
(iii) Others		249	220
(f) Deferred tax assets (net)		645	682
(g) Other non-current assets		692	586
Total non-current assets		15,097	15,146
2 Current assets			
(a) Inventories		10,862	9,997
(b) Financial assets			
(i) Trade receivables		11,708	12,253
(ii) Cash and cash equivalents		468	6
(iii) Bank balances other than (ii) above		916	654
(iv) Loans		108	51
(v) Others		221	206
(c) Current tax assets (net)		430	150
(d) Other current assets		1,845	2,243
Total current assets		26,558	25,560
3 Non-current asset held for sale		12	12
		26,570	25,572
Total assets		41,667	40,718
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital		1,536	1,536
(b) Other equity		10,257	10,520
Total equity		11,793	12,056
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		6,108	7,091
(ii) Lease liabilities		1,032	1,023
(iii) Other financial liabilities		-	23
(b) Provisions		2,396	2,292
(c) Other non-current liabilities		664	486
Total non-current liabilities		10,200	10,915
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings		3,219	3,211
(ii) Lease liabilities		251	267
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		463	146
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,500	13,063
(iv) Other financial liabilities		309	396
(b) Provisions		462	445
(c) Other current liabilities		470	219
Total current liabilities		19,674	17,747
Total equity and liabilities		41,667	40,718

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7. Statement of Cash Flows:

(₹ in lakhs)		
Particulars	For the six month period ended 30 September, 2023	For the six month period ended 30 September, 2022
	(Unaudited)	(Unaudited)
A. Cash flows from operating activities:		
Net (loss)/profit before tax	(346)	1,368
Adjustments to reconcile (loss)/profit before tax to net cash flows:		
Depreciation and amortisation expense	1,126	965
Gain on disposal of property, plant and equipment (net)	(2)	(4)
Finance costs	880	813
Interest income	(41)	(26)
Employee benefits expense	3	5
Rent expenses	4	3
Other amount written off	15	-
Gain on valuation of mutual funds measured at fair value through profit or loss	(4)	(2)
Unrealised exchange gain (net)	(39)	(191)
Operating profit before working capital changes	1,596	2,931
<u>Changes in working capital</u>		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(880)	(2,375)
Trade receivables	589	562
Financial assets - loans	(32)	3
Financial assets - others	(18)	(644)
Other current and non-current assets	363	(1,185)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1,755	2,417
Other financial liabilities	(180)	(10)
Other current and non-current liabilities	428	462
Provisions	101	90
Cash generated from operations	3,722	2,251
Income tax paid (net)	(142)	(353)
Net cash flows from operating activities (A)	3,580	1,898
B. Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances)	(863)	(1,404)
Proceeds from sale of property, plant and equipment	7	41
Bank balances not considered as cash and cash equivalents (net)	(262)	(9)
Interest received	9	16
Purchase of financial instruments	-	(73)
Net cash flows used in investing activities (B)	(1,109)	(1,429)
C. Cash flows from financing activities:		
Proceeds from long-term borrowings	-	3,640
Repayment of long-term borrowings	(784)	(2,733)
Interest paid	(778)	(748)
Payment of lease liabilities	(218)	(153)
Net cash flows (used in)/from financing activities (C)	(1,780)	6
Net increase in cash and cash equivalents (A+B+C)	691	475
Cash and cash equivalents at the beginning of the period	(1,639)	(2,922)
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(6)	(18)
Cash and cash equivalents at the end of six month period	(954)	(2,465)
Cash and cash equivalents	468	6
Other bank balances (represents cash credit and packing credit)	(1,422)	(2,471)
Cash and bank balances	(954)	(2,465)

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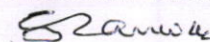
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8. In terms of approval of the Board of Directors at their meeting held on 24 August, 2022, the Company had recommended bonus share issue in the ratio of 1:2 i.e. one equity bonus share for two fully paid-up equity shares. This was subsequently approved by the Shareholders at their meeting held on 20 September, 2022. The record date was 28 September, 2022. Pursuant to the approval given by its shareholders, the Company allotted 51,18,353 equity shares of Rs. 10 each as fully paid bonus equity shares to the eligible shareholders on 03 October, 2022. Basic and diluted earnings per share were adjusted for the quarter and six month period ended 30 September, 2022 and presented in accordance with Ind AS 33, Earnings Per Share.
9. 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

Date: 09 November, 2023