

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, 2024 ("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 ("the Listing Regulations").
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 and in compliance with Regulation 33 of the Listing Regulations. 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 (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 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)



Sampada S Narvankar
(Partner)

(Membership No. 102911)

UDIN: 24102911BKEWWL4591

Mumbai, 14 November, 2024

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, 2024						
(₹ in lakhs)						
	Particulars	Quarter ended			Six month period ended	
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
						Previous year ended 31.03.2024 (Audited)
1	Revenue from operations	16,458	16,601	17,902	33,059	34,950
2	Other income	128	29	74	157	115
3	Total income (1+2)	16,586	16,630	17,976	33,216	35,065
4	Expenses					
	(a) Cost of materials and components consumed	9,252	9,625	10,035	18,877	19,230
	(b) Changes in inventories of finished goods and work-in-progress	(871)	(824)	(402)	(1,695)	(701)
	(c) Employee benefits expense	3,079	3,003	3,021	6,082	5,953
	(d) Finance costs	433	439	438	872	880
	(e) Depreciation and amortisation expense	599	586	571	1,185	1,126
	(f) Other expenses	4,225	4,043	4,557	8,268	8,923
	Total expenses	16,717	16,872	18,220	33,589	35,411
5	Profit/(Loss) before exceptional items and tax (3-4)	(131)	(242)	(244)	(373)	(346)
6	Exceptional items (Refer Note 4)	1,684	-	-	1,684	-
7	Profit/(Loss) before tax (5-6)	1,553	(242)	(244)	1,311	(346)
8	Tax expense					
	(a) Current tax expense/(credit)	72	(34)	(186)	38	(210)
	(b) Deferred tax (credit)/charge	123	(27)	115	96	113
	(c) Short/(excess) provision for tax relating to prior years (net)	-	-	-	-	-
	Total tax expense	195	(61)	(71)	134	(97)
9	Profit/(loss) for the period (7-8)	1,358	(181)	(173)	1,177	(249)
10	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	- Re-measurement income/(loss) on defined benefits obligations	(1)	(1)	(9)	(2)	(18)
	- Income tax effect	1	1	2	2	4
	Other comprehensive income (net of tax)	-	-	(7)	-	(14)
11	Total comprehensive income for the period (9+10)	1,358	(181)	(180)	1,177	(263)
12	Paid-up equity share capital (Face value ₹ 10/- per share)	1,536	1,536	1,536	1,536	1,536
13	Other equity					9,524
14	Earnings per share (face value of ₹ 10/- each (* not annualised))					
	Basic and diluted (₹)	*8.84	*(1.18)	*(1.13)	*7.66	*(1.62)
						(6.34)

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Notes:

1. The above Unaudited Financial Results have been reviewed and recommended by the Audit Committee at their meeting held on 13 November, 2024 and have been approved by the Board of Directors at their meeting held on 14 November, 2024.
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 Indian Accounting Standard 108 - "Operating Segments".
4. During the quarter, the Company has sold a part of land situated at Mumbra plant for a consideration of ₹1,710 lakhs resulting in a net gain of ₹1,684 lakhs, after adjusting cost of acquisition and related expenses, which is disclosed as an exceptional item. Further, tax on such gain after adjusting unabsorbed depreciation amounting to ₹38 lakhs is included in the current tax for the quarter/period. Other current financial assets as on 30 September, 2024 include ₹1,282 lakhs being balance consideration receivable in respect of this transaction.



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5. Statement of Assets and Liabilities:

Particulars		As at 30.09.2024	As at 31.03.2024
		(Unaudited)	(Audited)
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment		10,910	11,191
(b) Capital work-in-progress		192	520
(c) Intangible assets		62	66
(d) Right-of-use assets		1,988	1,998
(e) Financial assets			
(i) Investments		125	120
(ii) Loans		142	140
(iii) Others		297	276
(f) Deferred tax assets (net)		983	1,079
(g) Other non-current assets		746	466
Total non-current assets		15,445	15,856
2 Current assets			
(a) Inventories		10,098	8,202
(b) Financial assets			
(i) Trade receivables		10,635	11,619
(ii) Cash and cash equivalents		434	206
(iii) Bank balances other than (ii) above		796	702
(iv) Loans		115	52
(v) Others (Refer Note 4)		1,479	437
(c) Current tax assets (net)		241	219
(d) Other current assets		2,213	1,243
Total current assets		26,011	22,680
3 Non-current asset held for sale			12
		26,011	22,692
Total assets		41,456	38,548
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital		1,536	1,536
(b) Other equity		10,701	9,524
Total equity		12,237	11,060
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		4,185	5,088
(ia) Lease liabilities		1,640	1,678
(b) Provisions		2,356	2,364
(c) Other non-current liabilities		366	421
Total non-current liabilities		8,547	9,551
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings		4,502	4,256
(ia) Lease liabilities		381	315
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		1,035	1,064
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,459	11,066
(iii) Other financial liabilities		417	201
(b) Provisions		493	487
(c) Current tax liabilities (net)		18	-
(d) Other current liabilities		367	548
Total current liabilities		20,672	17,937
Total equity and liabilities		41,456	38,548

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6. Statement of Cash Flows:

(₹ in lakhs)		
Particulars	For the six month period ended 30 September, 2024	For the six month period ended 30 September, 2023
	(Unaudited)	(Unaudited)
A. Cash flows from operating activities:		
Net profit/(loss) before tax	1,311	(346)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expense	1,185	1,126
(Gain)/loss on disposal of property, plant and equipment (net)	(5)	(2)
(Gain) on sale of land (Refer Note 4)	(1,684)	-
Finance costs	872	880
Interest income	(37)	(41)
Employee benefits expense	1	3
Rent expenses	(2)	4
Liabilities/provisions no longer required written back	(5)	-
Provision for slow and non-moving inventory	30	15
Gain on valuation of mutual funds measured at fair value through profit or loss	(5)	(4)
Unrealised exchange gain (net)	(81)	(39)
Operating profit before working capital changes	1,580	1,596
<u>Changes in working capital</u>		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,926)	(880)
Trade receivables	1,065	589
Financial assets - loans	(65)	(32)
Financial assets - others	202	(18)
Other current and non-current assets	(968)	363
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	2,354	1,755
Other financial liabilities	1	(180)
Other current and non-current liabilities	(234)	428
Provisions	(5)	101
Cash generated from operations	2,004	3,722
Income tax paid (net of refund)	(41)	(142)
Net cash flows from operating activities (A)	1,963	3,580
B. Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances)	(402)	(863)
Proceeds from sale of property, plant and equipments	8	7
Proceeds from sale of land (Refer Note 4)	428	-
Bank balances not considered as cash and cash equivalents (net)	(94)	(262)
Interest received	52	9
Net cash flows used in investing activities (B)	(8)	(1,109)
C. Cash flows from financing activities:		
Repayment of long-term borrowings	(1,013)	(784)
Interest paid	(724)	(778)
Payment of lease liabilities	(299)	(218)
Transaction cost for lease liabilities	(14)	-
Net cash flows used in financing activities (C)	(2,050)	(1,780)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(95)	691
Cash and cash equivalents at the beginning of the period	(2,047)	(1,639)
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(4)	(6)
Cash and cash equivalents at the end of six month period	(2,146)	(954)
Cash and cash equivalents	434	468
Other bank balances (represents cash credit and packing credit)	(2,580)	(1,422)
Cash and bank balances	(2,146)	(954)

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For and on behalf of the Board of Directors



SURINDER PAUL KANWAR

Chairman & Managing Director

DIN: 00033524

Place: Faridabad

Date: 14 November, 2024