

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, 2026 ("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. We draw attention to Note 6 to the Statement, regarding concerns shared by the erstwhile Joint Managing Director regarding certain practices by the Chairman and Managing Director of the Company. Pursuant to the concerns raised, the Audit Committee has engaged an independent external agency to carry out an impact assessment for the same. Subsequent to the quarter ended 30 September, 2026, the draft preliminary observations report has recently been submitted by the external agency to the Management, which is under assessment by the Management and Audit Committee. Pending such assessment, we are unable to determine the effect, if any, that this matter may have on the accompanying Statement for the quarter and six month period ended 30 September, 2026.
5. Based on our review conducted as stated in paragraph 3 above, except for the effects / possible effects of the matter described in paragraph 4 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: 26102911CKZDWK 5715

Faridabad, 30 October, 2026

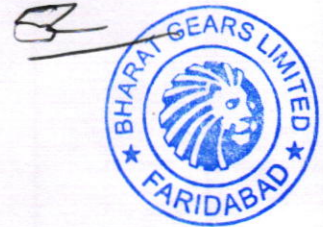
BHARAT GEARS LIMITED CIN: L29130HR1971PLC034365 Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121003 (Haryana)						
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTH PERIOD ENDED 30 SEPTEMBER, 2026						
(₹ in lakhs)						
	Particulars	Quarter ended			Six month period ended	
		30.09.2026	30.06.2026	30.09.2025	30.09.2026	30.09.2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
						Previous year ended 31.03.2026 (Audited)
1	Revenue from operations	23817.47	21564.94	20474.07	45382.41	38453.86
2	Other income	93.49	40.64	189.61	134.13	367.28
3	Total income (1+2)	23910.96	21605.58	20663.68	45516.54	38821.14
4	Expenses					
	(a) Cost of materials and components consumed	13032.54	11205.51	10932.63	24238.05	20720.26
	(b) Changes in inventories of finished goods and work-in-progress	(804.34)	27.82	(375.53)	(776.52)	(424.02)
	(c) Employee benefits expense (Refer note 4)	3812.11	3653.33	3189.79	7465.44	6239.86
	(d) Finance costs	348.93	324.88	358.64	673.81	724.16
	(e) Depreciation and amortisation expense	482.11	508.22	578.55	990.33	1153.95
	(f) Other expenses	6495.95	5865.89	5023.49	12361.84	9230.41
	Total expenses	23367.30	21585.65	19707.57	44952.95	37644.62
5	Profit/(Loss) before tax (3-4)	543.66	19.93	956.11	563.59	1176.52
6	Tax expense					
	(a) Current tax expense/(credit)	173.04	11.14	195.42	184.18	240.85
	(b) Deferred tax charge/(credit)	(39.36)	(6.09)	38.48	(45.45)	48.82
	(c) (Excess)/Short provision for tax relating to prior years	0.18	-	-	0.18	-
	Total tax expense	133.86	5.05	233.90	138.91	289.67
7	Profit/(Loss) for the period (5-6)	409.80	14.88	722.21	424.68	886.85
8	Other comprehensive income/(loss)					
	Items that will not be reclassified to profit or loss					
	- Re-measurement gain/(loss) on defined benefits obligations	(2.23)	(2.23)	11.63	(4.46)	23.26
	- Income tax effect	0.56	0.56	(2.92)	1.12	(5.85)
	Other comprehensive income/(loss) for the period (net of tax)	(1.67)	(1.67)	8.71	(3.34)	17.41
9	Total comprehensive income/(loss) for the period (7+8)	408.13	13.21	730.92	421.34	904.26
10	Paid-up equity share capital (Face value ₹ 10/- per share)	1535.51	1535.51	1535.51	1535.51	1535.51
11	Other equity					11583.40
12	Earnings per share (face value of ₹ 10/- each (* not annualised)) Basic and diluted (₹)	*2.67	*0.10	*4.70	*2.77	*5.77
						10.75



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 meeting held on 30 October, 2026.
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. The Government of India notified the four Labour Codes which are effective from 21 November, 2025. The Company had assessed the incremental impact of the changes on the basis of best information available, consistent with the guidance provided by Institute of Chartered Accountants of India. The incremental impact of these changes is not material and has been recognized during the year ended 31 March, 2026.
5. During the year ended 31 March 2026, the Company received a letter from a fictitious person and a complaint from an investor and shareholder raising concerns regarding the citizenship status of Mr. Surinder Paul Kanwar, Chairman and Managing Director (CMD) of the Company. The Board of Directors, at its meeting held on 23 January, 2026, based on a comprehensive independent legal opinion obtained by the Company, concluded that pending any final direction, order, or outcome issued by the Central Government, the citizenship status of Mr. Surinder Paul Kanwar continues to remain unchanged, and he shall continue to discharge his responsibilities as Chairman and Managing Director of the Company.

Subsequent to the year ended 31 March, 2026, CMD had received a communication from the Regional Passport Office regarding the revocation of his passport, against which he filed an appeal with the competent authority. CMD has informed the Company that the said appeal has been disposed of without providing him any opportunity of representing his case.
6. During the quarter ended 30 June, 2026, the erstwhile Joint Managing Director (JMD) of the Company, has shared certain concerns regarding specific practices by the Chairman and Managing Director of the Company. These concerns pertain to the period when the JMD himself was in office. The Audit Committee of the Company in its meeting held on 15 June, 2026 has appointed an independent external agency to carry out an impact assessment for the alleged concerns raised. Subsequent to the quarter ended 30 September, 2026, the draft preliminary observations report has recently been received from the external agency, which is being assessed by the Management and Audit Committee.



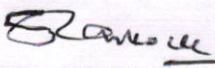
7. Statement of Assets and Liabilities:

Particulars		As at 30.09.2026 (Unaudited)	As at 31.03.2026 (Audited)
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment		10276.13	10122.93
(b) Capital work-in-progress		293.36	386.11
(c) Intangible assets		137.78	125.93
(d) Right-of-use assets		1547.60	1338.96
(e) Financial assets			
(i) Investments		269.44	137.79
(ii) Loans		108.09	119.90
(iii) Others		285.34	254.87
(f) Deferred tax assets (net)		991.60	945.03
(g) Other non-current assets		716.71	676.93
Total non-current assets		14626.05	14108.45
2 Current assets			
(a) Inventories		11533.45	10119.74
(b) Financial assets			
(i) Trade receivables		13590.35	11375.87
(ii) Cash and cash equivalents		7.47	6.07
(iii) Bank balances other than (ii) above		1060.93	767.77
(iv) Loans		126.98	64.08
(v) Others		356.12	159.26
(c) Current tax assets		31.02	31.02
(d) Other current assets		4604.26	3446.06
Total current assets		31310.58	25969.87
Total assets		45936.63	40078.32
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital		1535.51	1535.51
(b) Other equity		11851.19	11583.40
Total equity		13386.70	13118.91
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		1453.00	1721.73
(ia) Lease liabilities		1208.00	1092.98
(b) Provisions		2562.32	2491.16
(c) Other non-current liabilities		697.27	615.06
Total non-current liabilities		5920.59	5920.93
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings		4439.08	4094.17
(ia) Lease liabilities		452.90	380.43
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		3790.65	2797.24
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		16303.06	12126.02
(iii) Other financial liabilities		449.61	527.42
(b) Other current liabilities		555.74	393.32
(c) Provisions		530.25	522.69
(d) Current tax liabilities (net)		108.05	197.19
Total current liabilities		26629.34	21038.48
Total equity and liabilities		45936.63	40078.32



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8. Statement of Cash Flows: (₹ in lakhs)		
Particulars	For the six month period ended 30 September, 2026	For the six month period ended 30 September, 2025
	(Unaudited)	(Unaudited)
A. Cash flows from operating activities:		
Net profit/(loss) before tax	563.59	1176.52
Adjustments to reconcile (loss)/profit before tax to net cash flows:		
Depreciation and amortisation expense	990.33	1153.95
(Gain)/loss on disposal of property, plant and equipment (net)	5.63	(3.89)
Finance costs	673.81	724.16
Interest income	(48.58)	(54.23)
Rent expenses	5.29	(8.26)
Employee benefits expense	1.33	(12.99)
Liabilities/provisions no longer required written back	(65.45)	(23.43)
Other amount written off	(44.50)	75.24
Gain on valuation of mutual funds measured at fair value through profit or loss	(4.25)	(5.10)
Unrealised exchange (gain)/loss (net)	(1.55)	(142.47)
Operating profit before working capital changes	2075.65	2879.50
<u>Changes in working capital</u>		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1369.21)	(1281.72)
Trade receivables	(2213.19)	(1484.63)
Financial assets - loans	(45.50)	(85.10)
Financial assets - others	(182.13)	47.94
Other assets	(1237.41)	(1396.31)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	5236.16	3313.03
Other financial liabilities	6.98	16.12
Other current and non-current liabilities	244.63	(250.20)
Provisions	74.26	61.50
Cash generated from operations	2590.24	1820.13
Income tax (paid)/refund (net)	(273.50)	(111.01)
Net cash flows from operating activities (A)	2316.74	1709.12



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(₹ in lakhs)		
B. Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances)	(881.64)	(547.44)
Proceeds from sale of property, plant and equipment	23.52	23.64
Bank balances not considered as cash and cash equivalents (net)	(293.16)	(350.09)
Interest received	(7.91)	67.98
Purchase of financial instruments	(127.40)	-
Net cash flows from/(used in) investing activities (B)	(1286.59)	(805.91)
C. Cash flows from financing activities:		
Proceeds from long-term borrowings	548.00	-
Repayment of long-term borrowings	(446.30)	(865.89)
Interest paid	(591.61)	(595.18)
Dividend paid	(153.07)	(309.58)
Payment of lease liabilities	(313.25)	-
Transaction cost for lease liabilities	(31.01)	-
Net cash flows from/(used in) financing activities (C)	(987.24)	(1770.65)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	42.91	(867.44)
Cash and cash equivalents at the beginning of the period	(3004.82)	(2032.78)
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	(15.46)
Cash and cash equivalents at the end of six month period	(2961.91)	(2915.68)
Cash and bank balances	7.47	7.53
Other bank balances (represents cash credit and packing credit)	(2969.38)	(2923.21)
Cash and cash equivalents	(2961.91)	(2915.68)
For and on behalf of the Board of Directors <div style="display: flex; justify-content: space-between;"> <div> Place: Faridabad Date: 30 October, 2026 </div> <div style="text-align: right;">  SURINDER PAUL KANWAR Chairman & Managing Director DIN: 00033524 </div> </div>		

