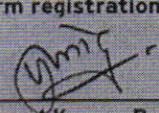


**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Bharat Gears Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Bharat Gears Limited (the "Company") for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 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").
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  
per Pramod Kumar Bapna  
Partner  
Membership No.: 105497UDIN: 20105497AAAAAD3536  
Place: New Delhi  
Date: January 29, 2020

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER, 2019**

|    | Particulars                                                                                          | Quarter ended (Unaudited) |                |               | Nine months period ended (Unaudited) |               | Previous year ended (Audited) |
|----|------------------------------------------------------------------------------------------------------|---------------------------|----------------|---------------|--------------------------------------|---------------|-------------------------------|
|    |                                                                                                      | 31.12.2019                | 30.09.2019     | 31.12.2018    | 31.12.2019                           | 31.12.2018    | 31.03.2019                    |
| 1  | Revenue from operations                                                                              | 10,492                    | 13,271         | 15,511        | 35,251                               | 45,071        | 59,440                        |
| 2  | Other income (Refer note 4)                                                                          | 72                        | 163            | (7)           | 275                                  | 434           | 475                           |
| 3  | <b>Total income (1+2)</b>                                                                            | <b>10,564</b>             | <b>13,434</b>  | <b>15,504</b> | <b>35,526</b>                        | <b>45,505</b> | <b>59,915</b>                 |
| 4  | <b>Expenses</b>                                                                                      |                           |                |               |                                      |               |                               |
|    | (a) Cost of materials and components consumed                                                        | 4,867                     | 6,350          | 7,232         | 16,590                               | 21,959        | 28,840                        |
|    | (b) Changes in inventories of finished goods and work-in-progress                                    | 702                       | 376            | (127)         | 1,800                                | (1,495)       | (1,429)                       |
|    | (c) Employee benefits expense (Refer note 5)                                                         | 2,259                     | 2,325          | 2,565         | 6,996                                | 7,361         | 9,840                         |
|    | (d) Finance costs                                                                                    | 535                       | 563            | 614           | 1,653                                | 1,606         | 2,187                         |
|    | (e) Depreciation and amortisation expense                                                            | 677                       | 672            | 572           | 2,014                                | 1,590         | 2,176                         |
|    | (f) Other expenses                                                                                   | 2,599                     | 3,139          | 3,914         | 8,818                                | 12,590        | 16,346                        |
|    | <b>Total expenses</b>                                                                                | <b>11,639</b>             | <b>13,425</b>  | <b>14,770</b> | <b>37,671</b>                        | <b>43,611</b> | <b>57,970</b>                 |
| 5  | <b>Profit/(loss) before tax (3-4)</b>                                                                | <b>(1,075)</b>            | <b>9</b>       | <b>734</b>    | <b>(2,145)</b>                       | <b>1,894</b>  | <b>1,945</b>                  |
| 6  | <b>Tax expense</b>                                                                                   |                           |                |               |                                      |               |                               |
|    | 1. Current tax                                                                                       | -                         | 978            | 346           | -                                    | 897           | 689                           |
|    | 2. Deferred tax                                                                                      | (275)                     | (811)          | (85)          | (485)                                | (218)         | 3                             |
| 7  | <b>Net profit/(loss) for the period (5-6)</b>                                                        | <b>(800)</b>              | <b>(158)</b>   | <b>473</b>    | <b>(1,660)</b>                       | <b>1,215</b>  | <b>1,253</b>                  |
| 8  | <b>Other comprehensive income/(loss)</b>                                                             |                           |                |               |                                      |               |                               |
|    | (i) Items that will not be reclassified to profit or loss                                            | (18)                      | (18)           | (20)          | (54)                                 | (60)          | (285)                         |
|    | (ii) Income tax relating to items that will not be reclassified to profit or loss                    | 6                         | (21)           | 7             | (9)                                  | 21            | 99                            |
| 9  | <b>Total comprehensive income/(loss) for the period (7+8)</b>                                        | <b>(812)</b>              | <b>(197)</b>   | <b>460</b>    | <b>(1,723)</b>                       | <b>1,176</b>  | <b>1,067</b>                  |
| 10 | <b>Paid-up equity share capital</b><br>(Face value ₹ 10/- per share)                                 | <b>931</b>                | <b>931</b>     | <b>814</b>    | <b>931</b>                           | <b>814</b>    | <b>814</b>                    |
| 11 | <b>Other equity (excluding revaluation reserve)</b>                                                  |                           |                |               |                                      |               | <b>8035</b>                   |
| 12 | <b>Earnings per share</b><br>(face value of ₹ 10/- each (* not annualised))<br>Basic and diluted (₹) | <b>*(8.60)</b>            | <b>*(1.70)</b> | <b>*5.61</b>  | <b>*(18.10)</b>                      | <b>*14.40</b> | <b>14.84</b>                  |

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BY**

**S R B C & CO LLP  
MUMBAI**



*Signature*

**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 29 January, 2020.
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 (Unaudited) |            |            | Nine months period ended(Unaudited) |            | Previous year ended (Audited) |
|--------------------------|---------------------------|------------|------------|-------------------------------------|------------|-------------------------------|
|                          | 31.12.2019                | 30.09.2019 | 31.12.2018 | 31.12.2019                          | 31.12.2018 | 31.03.2019                    |
| Net exchange gain/(loss) | 55                        | 133        | (27)       | 204                                 | 368        | 391                           |

(₹ in lacs)

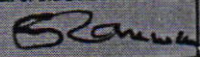
5. Employee benefits expense includes:

| Particulars                         | Quarter ended (Unaudited) |            |            | Nine months period ended(Unaudited) |            | Previous year ended (Audited) |
|-------------------------------------|---------------------------|------------|------------|-------------------------------------|------------|-------------------------------|
|                                     | 31.12.2019                | 30.09.2019 | 31.12.2018 | 31.12.2019                          | 31.12.2018 | 31.03.2019                    |
| Voluntary retirement scheme expense | 136                       | -          | 14         | 136                                 | 71         | 71                            |

(₹ in lacs)

6. 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 nine months period ended 31 December, 2019 is an increase of ₹ 50 lacs and ₹ 152 lacs in depreciation for the right-of-use assets, an increase of ₹ 13 lacs and ₹ 40 lacs in finance costs on lease liability and a decrease in lease rent cost of ₹ 59 lacs and ₹ 177 lacs respectively.
7. In terms of approval of Board of Directors at their meeting held on 09 October, 2018, the Company on 10 May, 2019 allotted 11,83,262 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 nine months period ended 31 December, 2018, and for year ended 31 March 2019 have been accordingly adjusted for effect of Rights Issue.
8. Previous period's figures have been regrouped/reclassified wherever necessary.

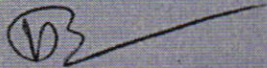
For and on behalf of the Board of Directors

  
SURINDER PAUL KANWAR  
Chairman & Managing Director

Place: New Delhi  
Date : 29 January, 2020



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BY**



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