Deloitte
Haskins & Sells

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INDEPENDENT AUDITORS' 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 Nine Months Ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), 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 issue a report on the Statement based on our review.

2. 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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Saira Nainar
Partner
(Membership No. 040081)

New Delhi, January 31, 2017

BHARAT GEARS LIMITED
Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana)

Part I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

(₹ in lacs)

	Particulars	Quarter ended			Nine months ended		Previous year ended
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		(Unaudited)			(Unaudited)		(Audited)
1	Income from operations Sales/income from operations (gross of excise duty)	**10,760**	10,248	9,609	**31,403**	31,527	42,014
	Less: Excise duty	**658**	678	789	**2,092**	2,548	3,329
	(a) Net sales/income from operations (net of excise duty)	**10,102**	9,570	8,820	**29,311**	28,979	38,685
	(b) Other operating income (Refer Note 4)	**209**	221	213	**634**	810	1,063
	Total income from operations (net)	**10,311**	9,791	9,033	**29,945**	29,789	39,748
2	Expenses (a) Cost of materials consumed	**4,795**	4,820	4,198	**14,333**	13,601	17,918
	(b) Changes in inventories of finished goods and work-in-progress	**(219)**	(237)	(132)	**(676)**	310	716
	(c) Employee benefits expense (Refer Note 5)	**1,934**	2,037	1,844	**6,058**	5,708	7,458
	(d) Power and fuel	**759**	693	658	**2,165**	2,224	2,885
	(e) Depreciation and amortisation expense	**413**	420	413	**1,245**	1,242	1,650
	(f) Other expenses	**2,222**	2,118	1,929	**6,292**	5,798	7,707
	Total expenses	**9,904**	9,851	8,910	**29,417**	28,883	38,334
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	**407**	(60)	123	**528**	906	1,414
4	Other income (Refer Note 6)	**44**	19	25	**110**	195	254
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	**451**	(41)	148	**638**	1,101	1,668
6	Finance costs	**368**	363	377	**1,115**	1,227	1,616
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	**83**	(404)	(229)	**(477)**	(126)	52
8	Exceptional items	**-**	-	-	**-**	-	-
9	Profit/(loss) from ordinary activities before tax (7-8)	**83**	(404)	(229)	**(477)**	(126)	52
10	Tax expense (net)	**33**	(126)	(77)	**(141)**	(43)	28
11	Net profit/(loss) from ordinary activities after tax (9-10)	**50**	(278)	(152)	**(336)**	(83)	24
12	Extraordinary items (net of tax expense)	**-**	-	-	**-**	-	-
13	Net profit/(loss) (11-12)	**50**	(278)	(152)	**(336)**	(83)	24
14	Paid-up equity share capital (Face value ₹ 10/- per share)	**782**	782	782	**782**	782	782
15	Reserves excluding revaluation reserve as per balance sheet of previous accounting year						5,862
16.i	Earnings per share (before extraordinary items) [of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)	*** 0.64**	* (3.56)	* (1.94)	*** (4.30)**	* (1.06)	0.31
16.ii	Earnings per share (after extraordinary items) [of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)	*** 0.64**	* (3.56)	* (1.94)	*** (4.30)**	* (1.06)	0.31

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BHARAT GEARS LIMITED

Registered Office: 20 K. M. Mathura Road, P. O. Amar Nagar, Faridabad - 121 003 (Haryana)

Notes:

1. The above financial results as reviewed and recommended by the Audit Committee at its meeting, have been approved by the Board of Directors at its meeting held on January 31, 2017.

2. The auditors of the Company have carried out limited review of the Unaudited Financial Results for the quarter and nine months ended December 31, 2016.

3. The Company is primarily engaged in the Automotive Gears business and all other activities revolving around the same. Risks and rewards involved in sales to overseas customers are not significantly different from those attributable to domestic market. As such there is no other separate reportable segment as defined by Accounting Standard – 17 "Segment Reporting".

4. Other operating income includes:

(₹ in lacs)

Particulars	Quarter ended			Nine months ended		Previous year ended
	31.12.2016	30.09.2016	31.12.2015	**31.12.2016**	31.12.2015	31.03.2016
	(Unaudited)			(Unaudited)		(Audited)
Export Incentives	**135**	118	117	**382**	531	717

5. Employee benefits expense includes:

(₹ in lacs)

Particulars	Quarter ended			Nine months ended		Previous year ended
	31.12.2016	30.09.2016	31.12.2015	**31.12.2016**	31.12.2015	31.03.2016
	(Unaudited)			(Unaudited)		(Audited)
Voluntary retirement scheme expense	**-**	70	9	**214**	77	80

6. Other income includes:

(₹ in lacs)

Particulars	Quarter ended			Nine months ended		Previous year ended
	31.12.2016	30.09.2016	31.12.2015	**31.12.2016**	31.12.2015	31.03.2016
	(Unaudited)			(Unaudited)		(Audited)
Net exchange gain	**29**	4	12	**68**	146	161

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

For and on behalf of the Board of Directors

SURINDER P. KANWAR
Chairman & Managing Director

Place: New Delhi
Date: January 31, 2017