



Geared for life

BHARAT GEARS LIMITED

Regd. Office & Works
20, K.M. Mathura Road, P.O. Box 328
P.O. Amar Nagar Faridabad - 121003 (Haryana) INDIA
Tel : +91 (129) 4288888. E-mail : info@bglindia.com
Corporate Identity Number : L29130HR1971PLC034365

BGL/SEC/NSE/3/MAY 2023-2024

BGL/SEC/BSE/2/MAY 2023-2024

May 25, 2023

The Manager (Listing)
National Stock Exchange of India Ltd
"Exchange Plaza", 5th Floor,
Plot No. C-1, G - Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400051

~~The Manager (Listing)
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building
PJ Towers, Dalal Street
Fort, Mumbai - 400001~~

SYMBOL: BHARATGEAR

STOCK CODE: 505688

Sub: Outcome of Board Meeting 1/23-24

Dear Sir/Madam,

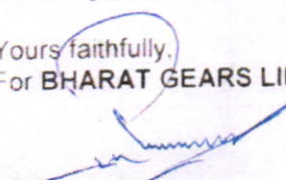
Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Regulations"), we are enclosing herewith Audited Financial Results of the Company along with Audit Report thereon for the quarter and year ended March 31, 2023 approved by the Board of Directors of the Company at its Meeting held on May 25, 2023 along with declaration for unmodified opinion pursuant to Regulation 33(3)(d) of the Regulations.

The meeting of Board of Directors of the Company commenced at 11:45 A.M. and concluded at 03:55 P.M.

You are requested to kindly take the same on records

Thanking you

Yours faithfully,
For BHARAT GEARS LIMITED


Prashant Khattry
Corporate Head (Legal) and Company Secretary



Encl: As above



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Dear Sir/Madam,


Sub: Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for unmodified opinion

DECLARATION FOR UNMODIFIED OPINION

We hereby declare that, the Statutory Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) have issued an Audit Report with unmodified opinion on the Audited Financial Results for the quarter and year ended March 31, 2023.

Thanking you,

Yours faithfully,
For Bharat Gears Limited


Prashant Khattry
Corporate Head (Legal) and Company Secretary



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS
AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
BHARAT GEARS LIMITED**

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended 31 March, 2023 and (b) reviewed the Financial Results for the quarter ended 31 March, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended 31 March, 2023" of BHARAT GEARS LIMITED ("the Company"), ("the Statement"), 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").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended 31 March, 2023:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended 31 March, 2023

With respect to the Financial Results for the quarter ended 31 March, 2023, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended 31 March, 2023, prepared in accordance with the recognition and measurement principles laid down in the Indian 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5

Basis for Opinion on the Audited Financial Results for the year ended 31 March, 2023

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended 31 March, 2023 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended 31 March, 2023 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended 31 March, 2023 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended 31 March, 2023

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended 31 March, 2023 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

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and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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Haskins & Sells LLP**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Financial Results for the quarter ended 31 March, 2023

We conducted our review of the Financial Results for the quarter ended 31 March, 2023 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 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 SAs specified under section 143(10) of the Act 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.

Other Matters

- The Statement includes the results for the quarter ended 31 March, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.
- The comparative financial information of the Company for the quarter and year ended 31 March, 2022 prepared in accordance with Ind AS included in this Statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 27 May, 2022 expressed an unmodified opinion.

Our report on the Statement is not modified in respect of these matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W100018)



Saira Nainar
Partner
(Membership No. 040081)

UDIN: 23040081 BG WLTC 7884

Place: Mumbai
Date: 25 May, 2023

KS

BHARAT GEARS LIMITED

CIN: L29130HR1971PLC034365

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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2023

(₹ in lakhs)

Particulars	Quarter ended			Current year ended	Previous year ended
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	(Unaudited) Refer note 5	(Unaudited)	(Unaudited) Refer note 5	(Audited)	(Audited)
1 Revenue from operations	17,949	18,935	19,069	76,636	72,944
2 Other income (Refer note 3)	47	399	151	876	353
3 Total income (1+2)	17,996	19,334	19,220	77,512	73,297
4 Expenses					
(a) Cost of materials and components consumed	9,105	9,881	9,548	41,642	37,530
(b) Changes in inventories of finished goods and work-in-progress	483	(30)	526	(756)	(441)
(c) Employee benefits expense	2,769	3,059	2,731	11,576	10,714
(d) Finance costs	456	439	412	1,708	1,843
(e) Depreciation and amortisation expense	523	519	461	2,007	2,039
(f) Other expenses (Refer note 4)	4,610	5,124	4,825	19,575	18,565
Total expenses	17,946	18,992	18,503	75,752	70,250
5 Profit before exceptional item and tax (3-4)	50	342	717	1,760	3,047
6 Exceptional item (Refer note 8)	-	-	-	-	360
7 Profit before tax (5+6)	50	342	717	1,760	3,407
8 Tax expense					
(a) Current tax	(77)	146	(43)	466	441
(b) Deferred tax (credit)/charge	63	(56)	224	(42)	423
(c) (Excess)/Short provision for tax relating to prior years	(20)	(7)	-	(13)	(41)
9 Net profit for the period (7-8)	84	259	536	1,349	2,584
10 Other comprehensive income					
Items that will not be reclassified to profit or loss					
- Re-measurement gain/(loss) on defined benefits obligations	(289)	47	(53)	(149)	31
- Income tax effect	72	(12)	13	37	(8)
Other comprehensive income/(loss) (net of tax)	(217)	35	(40)	(112)	23
11 Total comprehensive income/(loss) for the period (9+10)	(133)	294	496	1,237	2,607
12 Paid-up equity share capital (Refer note 9) (Face value ₹ 10/- per share)	1,536	1,536	1,024	1,536	1,024
13 Other equity				10,520	9,795
14 Earnings per share (Refer note 9) (face value of ₹ 10/- each (* not annualised)) Basic and diluted (₹)	*0.54	*1.69	*3.49	8.78	17.62

Notes

1. The above financial results have been reviewed and recommended by the Audit Committee at their meeting held on 24 May, 2023 and have been approved by the Board of Directors at their meeting held on 25 May, 2023.
2. 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".
3. Other income includes:

Particulars	Quarter ended			Current year ended	Previous year ended
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	(Unaudited) Refer note 5	(Unaudited)	(Unaudited) Refer note 5	(Audited)	(Audited)
Net exchange gain	26	378	132	796	282

4. Other expenses during the quarter ended 31 March, 2023 and 31 December, 2022 and year ended 31 March, 2023 is net of ₹ Nil, ₹ Nil and ₹ 93 lakhs respectively, being recovery of expenses for the previous year.
5. The figures of the quarters ended 31 March, 2023 and 31 March, 2022 are the balancing figures between audited figures in respect of the full financial years and the unaudited published year-to-date figures upto 31 December for respective years, which were subjected to limited review.



6. Statement of Assets and Liabilities

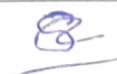
(₹ in lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
	(Audited)	(Audited)
A ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	11,937	11,208
(b) Capital work-in-progress	191	114
(c) Intangible assets	77	82
(d) Right-of-use assets	1,182	496
(e) Financial assets		
(i) Investments	111	-
(ii) Loans	160	179
(iii) Others	220	223
(g) Deferred tax assets (net)	682	583
(h) Other non-current assets	586	498
Total non-current assets	15,146	13,383
2 Current assets		
(a) Inventories	9,997	9,046
(b) Financial assets		
(i) Trade receivables	12,253	14,428
(ii) Cash and cash equivalents	6	304
(iii) Bank balances other than (ii) above	654	632
(iv) Loans	51	61
(v) Others	206	310
(c) Current tax assets (net)	150	103
(d) Other current assets	2,243	2,076
Total current assets	25,560	26,960
3 Non-current asset held for sale	12	12
Total assets	40,718	40,355
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	1,536	1,024
(b) Other equity	10,520	9,795
Total equity	12,056	10,819
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,091	6,126
(iia) Lease liabilities	1,023	416
(iib) Other financial liabilities	23	196
(ii) Other financial liabilities	2,292	2,082
(b) Provisions	486	377
(c) Other non-current liabilities		
Total non-current liabilities	10,915	9,197
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,211	3,958
(iia) Lease liabilities	267	160
(iib) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	146	325
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	13,063	14,749
(iii) Other financial liabilities	396	341
(b) Provisions	445	360
(c) Current tax liabilities (net)	-	5
(d) Other current liabilities	219	441
Total current liabilities	17,747	20,339
Total equity and liabilities	40,718	40,355

7. Statement of Cash Flows

(₹ in lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	(Audited)	(Audited)
A Cash flows from operating activities:		
Net profit before tax	1,760	3,407
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	2,007	2,039
(Gain)/Loss on disposal of property, plant and equipment (net)	10	(8)
Finance costs	1,708	1,843
Interest income (notional)	(63)	(55)
Rent expenses (notional)	6	7
Employee benefits	4	9
Liabilities/provisions no longer required written back	(161)	(70)
Allowance for expected credit loss	-	5
Other amounts written off	91	83
Gain on valuation of mutual funds measured at fair value through profit or loss	(6)	-
Unrealised exchange gain (net)	(114)	(111)
Operating profit before working capital changes	5,242	7,149
<u>Changes in working capital</u>		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,041)	(90)
Trade receivables	2,294	(3,690)
Financial assets - loans	32	1
Financial assets - others	105	233
Other current and non-current assets	(309)	106
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(1,702)	(545)
Other financial liabilities	(137)	15
Other current and non-current liabilities	98	273
Provisions	145	23
Cash generated from operations	4,727	3,475
Income tax paid (net)	(530)	(447)
Net cash flows from operating activities (A)	4,197	3,028
B Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances)	(2,600)	(476)
Proceeds from sale of property, plant and equipment	41	19
Bank balances not considered as cash and cash equivalents (net)	(22)	(75)
Interest received	61	36
Purchase of financial instruments	(106)	-
Net cash flows used in investing activities (B)	(2,626)	(496)
C Cash flows from financing activities:		
Proceeds from long-term borrowings	4,840	4,519
Proceeds from rights issue of equity shares (net of share issue expenses of ₹ 47 lakhs)	-	930
Repayment of unsecured loan from Director	-	(200)
Repayment of long-term borrowings	(3,194)	(6,384)
Interest paid	(1,592)	(1,798)
Dividends paid	-	(2)
Payment of lease liabilities	(335)	(287)
Net cash flows (used in) financing activities (C)	(281)	(3,222)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,290	(690)
Cash and cash equivalents at the beginning of the year	(2,922)	(2,227)
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(7)	(5)
Cash and cash equivalents at the end of the year	(1,639)	(2,922)
Cash and cash equivalents	6	304
Other bank balances (represents cash credit, packing credit & funded interest)	(1,645)	(3,226)
Cash and bank balances	(1,639)	(2,922)



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- 8 The Company had lodged a compensation claim with the Mumbai Metropolitan Region Development Authority ('MMRDA') in earlier years in respect of costs incurred towards shifting/re-location of facilities situated on the Company's land acquired by the Authority in such years towards proposed road widening projects. The Company during the quarter ended 30 September, 2021 had received compensation amounting to ₹ 514 lakhs which was netted off against the costs incurred directly in relation to the same amounting to ₹ 154 lakhs and accordingly, a net amount of ₹ 360 lakhs (gross of tax) was disclosed as an Exceptional item.
- 9 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 has subsequently been 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 has 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 have been considered for the current period and previous periods and presented in accordance with Ind AS 33, Earnings Per Share.
10. 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 : 25 May, 2023