# **Deloitte Haskins & Sells**

Chartered Accountants Tower 3, 27th - 32nd Floor Indiabulls Finance Centre Elphinstone Mill Compound Senapati Bapat Marg Elphinstone (W), Mumbai - 400 013 India

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### INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF BHARAT GEARS LIMITED

- 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, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. 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 Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II Select Information for the Quarter and Nine Months Ended December 31, 2014 of the Statement, from the details furnished by the Management/Registrars.

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

> Saira Nainar Partner (Membership No. 040081)

Mumbai, January 28, 2015

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## 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, 2014

of previous accounting year  16.i Earnings per share (before extraordinary items)	(₹ in lacs						T	$\vdash$
Income from operations (a) Net sales/income from operations (net of excise duty)   9,880   10,029   10,746   29,829   30,998   10,029   10,746   29,829   30,998   10,029   10,746   29,829   30,998   10,029   10,746   29,829   30,998   10,029   10,184   10,890   30,152   31,477   10,029   10,184   10,890   30,152   31,477   10,029   10,184   10,890   30,152   31,477   10,029   10,184   10,890   30,152   31,477   10,029   10,184   10,890   30,152   31,477   10,029   10,184   10,890   30,152   31,477   10,029   10,184   10,890   30,152   31,477   10,029	Previous Year ended	ths ended	Nine mon				Particulare	
1   Income from operations   (a) Net sales/income from operations (net of excise duty)   9,880   10,029   10,746   29,629   30,998   (b) Other operating income   217   155   144   523   479   Total income from operations (net)   10,097   10,184   10,890   30,152   31,477   2   Expenses   (a) Cost of materials consumed   5,046   5,175   4,994   14,912   15,757   (b) Changes in inventories of finished goods and work-in-progress   (525)   (372)   238   (756)   (559)   (c) Employee benefits expense (Refer Notes 4 and 5)   1,991   1,872   1,857   5,810   5,201   (d) Power and fuel   903   980   1,074   2,854   3,050   (e) Depreciation and amortisation expense (Refer Note 6)   401   411   372   1,186   977   (f) Other expenses   1,911   2,079   2,102   5,878   5,978   Total expenses   9,727   10,145   10,637   29,884   30,404   39   700	31.03.2014	31.12.2013	31.12.2014	31.12.2013	30.09.2014	31.12.2014	rattediais	
(a) Net sales/income from operations (net of excise duly) (b) Other operating income  Total income from operations (net)  10,097  10,184  10,890  30,152  31,477  2 Expenses (a) Cost of materials consumed (b) Changes in inventories of finished goods and work-in-progress (c) Employee benefits expense (Refer Notes 4 and 5) (d) Power and fuel (e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses  1,991  1,872  1,867  (g) Power and fuel (e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses  1,991  1,872  1,186  977  10,145  10,637  29,884  30,404  Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)  Profit/(loss) from ordinary activities before finance costs but before exceptional items (3-4)  Exceptional items  Profit/(loss) from ordinary activities before tax (7-8)  Exceptional items  Profit/(loss) from ordinary activities before tax (7-8)  Profit/(loss) from ordinary activities before tax (7-8)  Net profit/(loss) from ordinary activities after tax (9-10)  Extraordinary items (net of tax expense)  Reserves excluding revaluation reserve as per balance sheet of previous accounting year  (6) Earmings per share (before excaprdinary items)	(Audited)	dited)	(Unau		(Unaudited)			<u> </u>
Total income from operations (net)  2 Expenses (a) Cost of materials consumed (b) Changes in inventories of finished goods and work-in-progress (c) Employee benefits expense (Refer Notes 4 and 5) (d) Power and fuel (e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses (g) Cost of materials expense (Refer Notes 4 and 5) (e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses 1,911 2,079 2,102 5,878 5,978 Total expenses 9,727 10,145 10,637 29,884 30,404  3 Profit/(loss) from operations before other income, finance costs and exceptional items (1-2) 370 39 253 268 1,073 39 253 268 1,073 39 253 268 1,073 39 253 268 1,073 39 253 268 1,073 39 253 268 1,073 40  Other income (Refer Note 7) 81 61 61 61 746 75 Profit/(loss) from ordinary activities after finance costs but before exceptional items (3+4) 404 392 423 1,191 1,037 7 Profit/(loss) from ordinary activities before tax (7-8) 47 48 67 68 68 69 69 69 69 69 60 69 69 69 69 69 69 69 69 69 69 69 69 69	41,310	30,998	29,629	10,746	10,029	9,880		1
2   Expenses (a) Cost of materials consumed (b) Changes in inventories of finished goods and work-in-progress (c) Employee benefits expense (Refer Notes 4 and 5) (525) (372) 238 (756) (559) (559) (6) Employee benefits expense (Refer Notes 4 and 5) (6) Power and fuel (c) Depreciation and amortisation expense (Refer Note 6) 401 411 372 1,186 977 (7) Other expenses (1,911 2,079 2,102 5,878 5,978 7,978 7,977 10,145 10,637 29,884 30,404 10,114 11 372 1,186 10,114 11 11 11 11 11 11 11 11 11 11 11 11	677	479	523	144	155	217	(b) Other operating income	
(a) Cost of materials consumed (b) Changes in inventories of finished goods and work-in-progress (c) Employee benefits expense (Refer Notes 4 and 5) (d) Power and fuel (e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses (g) Total expense (g) Total expenses (g) Total expense	41,987	31,477	30,152	10,890	10,184	10,097	Total income from operations (net)	
progress	20,768	15,757	14,912	4,994	5,175	5,046	(a) Cost of materials consumed	2
(d) Power and fuel (e) Depreciation and amortisation expense (Refer Note 6) (e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses 1,911 2,079 2,102 5,878 5,978 Total expenses 9,727 10,145 10,637 29,884 30,404  Profit/(loss) from operations before other income, finance costs and exceptional items (1-2) 370 39 253 268 1,073  Other income (Refer Note 7) 81 61 4 178 326  Finance costs 404 392 423 1,191 1,037  Profit/(loss) from ordinary activities before finance costs but before exceptional items (5-6) 47 (292) (166) (745) 362  Exceptional items	(565)	(559)	(756)	238	(372)	(525)	progress	
(e) Depreciation and amortisation expense (Refer Note 6) (f) Other expenses (f) Other income, finance costs and exceptional items (1-2) (f) Other income (Refer Note 7) (f) Other income (Refer N	7,015	5,201	5,810	1,857	1,872	1,991	(c) Employee benefits expense (Refer Notes 4 and 5)	
(f) Other expenses Total expenses Total expenses Total expenses 9,727 10,145 10,637 29,884 30,404  70 10,145 10,637 29,884 30,404  70 10,145 10,637 29,884 30,404  70 10,145 10,637 29,884 30,404  70 10,145 10,637 29,884 30,404  70 10,145 10,637 29,884 30,404  70 10,145 10,637 29,884 30,404  70 10,145 10,637 39 253 268 1,073  70 10,145 10,037 39 253 268 1,073  70 10,145 10,037 39 253 268 1,073  71 10,145 10,037 10,039 10	4,030	3,050	2,854	1,074	980	903	(d) Power and fuel	
Total expenses  Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)  Other income (Refer Note 7)  Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)  Finance costs  Profit/(loss) from ordinary activities after finance costs but before exceptional items (3+4)  Exceptional items  Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)  Exceptional items  Profit/(loss) from ordinary activities before tax (7-8)  Tax expense (net)  Net profit/(loss) from ordinary activities after tax (9-10)  Extraordinary items (net of tax expense)  Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16. il Earnings per share (before extraordinary items)	1,372	977	1,186	372	411	401	(e) Depreciation and amortisation expense (Refer Note 6)	
3 Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)  4 Other income (Refer Note 7)  5 Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)  6 Finance costs  7 Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)  8 Exceptional items  9 Profit/(loss) from ordinary activities before tax (7-8)  10 Tax expense (net)  11 Net profit/(loss) from ordinary activities after tax (9-10)  Extraordinary items (net of tax expense)  13 Net profit/(loss) (11-12)  14 Paid-up equity share capital (Face value ₹ 10/- per share)  Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16. il Earnings per share (before extraordinary items)	8,187	5,978	5,878	2,102	2,079	1,911	(f) Other expenses	
Costs and exceptional items (1-2)   370   39   253   268   1,073	40,807	30,404	29,884	10,637	10,145	9,727	Total expenses	
5 Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)  6 Finance costs  7 Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)  8 Exceptional items  9 Profit/(loss) from ordinary activities before tax (7-8)  10 Tax expense (net)  11 Net profit/(loss) from ordinary activities after tax (9-10)  12 Extraordinary items (net of tax expense)  13 Net profit/(loss) (11-12)  14 Paid-up equity share capital (Face value ₹ 10/- per share)  Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16. i Earnings per share (before extraordinary items)	1,180	1,073	268	253	39	370	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	3
exceptional items (3+4)	329	326	178	4	61	81	Other income (Refer Note 7)	4
7 Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	1,509	1,399	446	257	100	451	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	5
before exceptional items (5-6)  8 Exceptional items  9 Profit/(loss) from ordinary activities before tax (7-8)  10 Tax expense (net)  11 Net profit/(loss) from ordinary activities after tax (9-10)  12 Extraordinary items (net of tax expense)  13 Net profit/(loss) (11-12)  47 (292) (125) (739)  211  48 (292) (125) (739)  211  49 Paid-up equity share capital (Face value ₹ 10/- per share)  15 Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16.i Earnings per share (before extraordinary items)	1,449	1,037	1,191	423	392	404	Finance costs	6
9 Profit/(loss) from ordinary activities before tax (7-8)  10 Tax expense (net)  11 Net profit/(loss) from ordinary activities after tax (9-10)  12 Extraordinary items (net of tax expense)  13 Net profit/(loss) (11-12)  14 Paid-up equity share capital (Face value ₹ 10/- per share)  15 Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16.i Earnings per share (before extraordinary items)	60	362	(745)	(166)	(292)	47	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	7
10 Tax expense (net)  11 Net profit/(loss) from ordinary activities after tax (9-10)  12 Extraordinary items (net of tax expense)  13 Net profit/(loss) (11-12)  14 Paid-up equity share capital (Face value ₹ 10/- per share)  15 Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16.i Earnings per share (before extraordinary items)	-	-		-	-	- [	Exceptional items	8
11 Net profit/(loss) from ordinary activities after tax (9-10)  12 Extraordinary items (net of tax expense)  13 Net profit/(loss) (11-12)  14 Paid-up equity share capital (Face value ₹ 10/- per share)  15 Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16.i Earnings per share (before extraordinary items)	60	362	(745)	(166)	(292)	47	Profit/(loss) from ordinary activities before tax (7-8)	9
12 Extraordinary items (net of tax expense)	-	151	(6)	(41)	-		Tax expense (net)	10
13 Net profit/(loss) (11-12)  47 (292) (125) (739)  211  48 (292) (125) (739)  49 (292) (125) (739)  40 (739)  41 (292) (125) (739)  42 (782) (782)  43 (782) (782) (782)  44 (292) (125) (789)  45 (782) (782) (782)  46 (782) (782) (782) (782)  47 (292) (125) (789)  48 (782) (782) (782)  48 (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782) (782) (782) (782) (782)  49 (782)	60	211	(739)	(125)	(292)	47	Net profit/(loss) from ordinary activities after tax (9-10)	11
Paid-up equity share capital (Face value ₹ 10/- per share)  Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16.i Earnings per share (before extraordinary items)	_	-		-	-	-	Extraordinary items (net of tax expense)	12
(Face value ₹ 10/- per share)  15 Reserves excluding revaluation reserve as per balance sheet of previous accounting year  16.i Earnings per share (before extraordinary items)	60	211	(739)	(125)	(292)	47	Net profit/(loss) (11-12)	13
of previous accounting year  16.i Earnings per share (before extraordinary items)	782	782	782	782	782	782		
16.i Earnings per share (before extraordinary items)	6,355							
[of ₹ 10 /- each (* not annualised)] Basic and diluted (₹)  * 0.60  * (3.73)  * (1.60)  * (9.45)  * 2.70	0.76	*2.70	* (9.45)	* (1.60)	* (3.73)	* 0.60	[of ₹ 10 /- each (* not annualised)]	- [1
Eamings per share (after extraordinary items)	0.76	* 2.70	* (9.45)	* (1.60)	* (3.73)	* 0.60	[of ₹ 10 /- each (* not annualised)]	][

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#### **BHARAT GEARS LIMITED**

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

SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

#### Part II

of the company)
(b) Non-encumbered
- Number of shares

of the company)

of promoter and promoter group)

	Particulars	Quarter ended			Nine months ended		Previous Year ended	
L		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014	
	A PARTICULARS OF SHAREHOLDING 1 Public shareholding - Number of shares - Percentage of shareholding	3,676,095 47.02%	3,676,095 47.02%	3,676,095 47.02%	3,676,095 47.02%	3,676,095 47.02%	3,676,095	
	2 Promoters and promoter group shareholding (a) Pledged/encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital		- -	- -	-	-	-	

4,141,738

100.00%

52.98%

4,141,738

100.00%

52.98%

4,141,738

100.00%

52.98%

4,141,738

100.00%

52.98%

4,141,738

100.00%

52.98%

4,141,738

100.00%

52.98%

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	Particulars	Quarter ended 31.12.2014
В	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter Received during the quarter Disposed of during the quarter Remaining unresolved at the end of the quarter	Nil Nil Nil Nil

Percentage of shares (as a % of the total shareholding

Percentage of shares (as a % of the total share capital

#### Notes:

- The above financial results as reviewed and recommended by the Audit Committee have been approved by the Board of Directors at its meeting held on January 28, 2015.
- 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, 2014.
- 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. Employee benefits expense for the quarter and nine months ended December 31, 2014 includes provision of ₹ 70 lacs made on the basis of shareholders' approval for remuneration payable to the Chairman and Managing Director in excess of the limit specified under Section 197 and Schedule V to the Companies Act, 2013 which is subject to approval of the Central Government for which application has been made by the Company.

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#### **BHARAT GEARS LIMITED**

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

5.	5. Employee benefits expense includes:  (₹ in lac								
	· · · · · · · · · · · · · · · · · · ·		_	···		·	Previous		
		Quarter ended			Nine months ended		Year ended		
	Particulars	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014		
		1					<u></u>		
		(Unaudited)		(Unaudited) (Unaudited)		dited)	(Audited)		
	Voluntary retirement scheme expense	44	6	-	204	4	25		

6. During the period, the Company has revised depreciation rate on certain fixed assets as per the useful life specified in the Companies Act, 2013. Based on current estimates, depreciation/amortisation of ₹ 73 lacs (net of deferred tax ₹ 35 lacs) on account of assets whose useful life is already exhausted as on April 1, 2014 has been adjusted to General Reserve. Had there not been any change in useful life of assets, depreciation/amortisation for the quarter ended December 31, 2014, the quarter ended September 30, 2014 and nine months ended December 31, 2014 would have been higher by ₹ 14 lacs, ₹ 15 lacs and ₹ 37 lacs respectively.

7.	Other income includes:		<u>.</u>			_	(₹ in lacs)
		]	_				Previous
	Particulars	Quarter ended			Nine months ended		Year ended
ĺ		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
- 1		(Unaudited)		(Unaudited)		(Audited)	
ı	Net exchange gain/(loss)	63	43	(12)	130	258	199

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

Place: Mumbai

Date: January 28, 2015

For and on behalf of the Board of Directors

S Common

SURINDER P. KANWAR Chairman & Managing Director