

INDEPENDENT AUDITORS' REVIEW REPORT 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 Half Year Ended September 30, 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 Half Year Ended September 30, 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, November 6, 2014



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 HALF YEAR ENDED SEPTEMBER 30, 2014

(₹ in lacs)

	Particulars	Quarter ended			Half Year ended		Previous Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)			(Unaudited)		(Audited)
1	Income from operations						
	(a) Net sales/income from operations (net of excise duty)	10,029	9,720	10,869	19,749	20,252	41,310
	(b) Other operating income	155	151	195	306	335	677
	Total income from operations (net)	10,184	9,871	11,064	20,055	20,587	41,987
2	Expenses						
	(a) Cost of materials consumed	5,175	4,691	5,395	9,866	10,763	20,768
	(b) Changes in inventories of finished goods and work-in-progress	(372)	141	(148)	(231)	(797)	(565)
	(c) Employee benefits expense (Refer Note 5)	1,872	1,947	1,716	3,819	3,344	7,015
	(d) Power and fuel	980	971	1,042	1,951	1,976	4,030
	(e) Depreciation and amortisation expense (Refer Note 7)	411	374	307	785	605	1,372
	(f) Other expenses	2,079	1,888	1,976	3,967	3,876	8,187
	Total expenses	10,145	10,012	10,288	20,157	19,767	40,807
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	39	(141)	776	(102)	820	1,180
4	Other income (Refer Note 3)	61	36	118	97	322	329
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	100	(105)	894	(5)	1,142	1,509
6	Finance costs	392	395	331	787	614	1,449
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	(292)	(500)	563	(792)	528	60
8	Exceptional items	-	-	-	-	-	-
9	Profit/(loss) from ordinary activities before tax (7-8)	(292)	(500)	563	(792)	528	60
10	Tax expense (net)	-	(6)	192	(6)	192	-
11	Net profit/(loss) from ordinary activities after tax (9-10)	(292)	(494)	371	(786)	336	60
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net profit/(loss) (11-12)	(292)	(494)	371	(786)	336	60
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						6,355
16.i	Earnings per share (before extraordinary items) [of ₹ 10/- each (* not annualised)] Basic and diluted (₹)	*(3.73)	*(6.32)	*4.74	*(10.05)	*4.30	0.76
16.ii	Earnings per share (after extraordinary items) [of ₹ 10/- each (* not annualised)] Basic and diluted (₹)	*(3.73)	*(6.32)	*4.74	*(10.05)	*4.30	0.76

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BHARAT GEARS LIMITED

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Part II

SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

Particulars	Quarter ended			Half Year ended		Previous Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of shares	3,676,095	3,676,095	3,676,095	3,676,095	3,676,095	3,676,095
- Percentage of shareholding	47.02%	47.02%	47.02%	47.02%	47.02%	47.02%
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 of the company)	-	-	-	-	-	-
(b) Non-encumbered						
- Number of shares	4,141,738	4,141,738	4,141,738	4,141,738	4,141,738	4,141,738
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	52.98%	52.98%	52.98%	52.98%	52.98%	52.98%

Particulars	Quarter ended 30.09.2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

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 November 6, 2014.
- The auditors of the Company have carried out limited review of the Unaudited Financial Results for the quarter and half year ended September 30, 2014.
- Other income includes: (₹ in lacs)

Particulars	Quarter ended			Half Year ended		Previous Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	(Unaudited)			(Unaudited)		(Audited)
Net exchange gain	43	24	115	67	270	199

- 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".
- Employee benefits expense includes: (₹ in lacs)

Particulars	Quarter ended			Half Year ended		Previous Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	(Unaudited)			(Unaudited)		(Audited)
Voluntary retirement scheme expense	6	154	4	160	4	25

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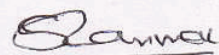
6. Statement of Assets and Liabilities:

Particulars		As at	As at
		30.09.2014	31.03.2014
		₹ lacs	₹ lacs
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	782	782
	(b) Reserves and surplus	5,944	6,803
	Sub-total - Shareholders' funds	6,726	7,585
2	Non-current liabilities		
	(a) Long-term borrowings	5,295	6,146
	(b) Deferred tax liabilities (net)	172	207
	(c) Other long-term liabilities	1,150	1,069
	(d) Long-term provisions	487	471
	Sub-total - Non-current liabilities	7,104	7,893
3	Current liabilities		
	(a) Short-term borrowings	2,931	2,862
	(b) Trade payables	9,733	8,571
	(c) Other current liabilities	2,216	1,937
	(d) Short-term provisions	164	263
	Sub-total - Current liabilities	15,044	13,633
	TOTAL - EQUITY AND LIABILITIES	28,874	29,111
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	13,227	13,875
	(b) Long-term loans and advances	693	782
	Sub-total - Non-current assets	13,920	14,657
2	Current assets		
	(a) Current investments	-	-
	(b) Inventories	6,148	5,901
	(c) Trade receivables	6,889	6,851
	(d) Cash and cash equivalents	547	570
	(e) Short-term loans and advances	1,285	946
	(f) Other current assets	85	186
	Sub-total - Current assets	14,954	14,454
	TOTAL - ASSETS	28,874	29,111

7. 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 and half year ended September 30, 2014 would have been higher by ₹ 9 lacs and ₹ 15 lacs respectively.

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

For and on behalf of the Board of Directors



SURINDER P. KANWAR
Chairman & Managing Director

Place: Lonand, Satara
Date: November 6, 2014